

LL ONE INC.

FILING STATEMENT

with respect to a Qualifying Transaction
pursuant to Policy 2.4 of the TSX Venture Exchange with
The Limestone Boat Company Inc. to be renamed

THE LIMESTONE BOAT COMPANY LIMITED

DATED AS OF FEBRUARY 23, 2021

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

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GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof. Terms and abbreviations used in the financial statements of the Corporation, LBCI and the Resulting Issuer and in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"Acquisition Agreement" means the acquisition agreement dated November 13, 2020 among LL One, LBCI and Newco, as amended on February 12, 2021.

"Affiliate" means a company that is affiliated with another company as described below:

- (a) A company is an "Affiliate" of another company if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Person.
- (b) A company is "controlled" by a Person if:
 - (i) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.
- (c) A Person beneficially owns securities that are beneficially owned by:
 - (i) a company controlled by that Person; or
 - (ii) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"Amalco" means the corporation created following the amalgamation of LBCI and Newco pursuant to the Amalgamation Agreement.

"Amalco Shares" means the common shares in the capital of Amalco.

"Amalgamation" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Qualifying Transaction*".

"Amalgamation Agreement" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction – Acquisition Agreement*".

"Arm's Length Transaction" means a transaction which is not a Related Party Transaction.

"Associate" when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity;

- (d) in the case of a Person, who is an individual:
 - (i) that Person's spouse or child; or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;but
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"Beacon" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – General Development of the Business"*.

"Business" means the business of LBCI.

"Bridge Loan" has the meaning ascribed to such term under the heading *"Part I Information Concerning LL One – General Development of the Business"*.

"CAGR" means compound annual growth rate.

"CEO" means chief executive officer.

"CFO" means chief financial officer.

"COO" means chief operating officer.

"Closing" has the meaning ascribed to such term under the heading *"Summary of Filing Statement – Private Placement"*.

"Closing Date" means the day that the Transaction closes, which shall not be prior to the date upon which all regulatory approvals have been obtained for the transactions described herein and including specifically the approvals of the Exchange for the Transaction and all conditions contained in the Acquisition Agreement shall be met or waived.

"Completion of the Qualifying Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

"Concurrent Equity Offering" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – General Development of the Business"*.

"Consolidation" has the meaning ascribed to such term under the heading *"Summary of Filing Statement – The Qualifying Transaction"*.

"Control Person" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"Corporation" or **"LL One"** means LL One Inc., a corporation incorporated under the OBCA. Where used in a context occurring after giving effect to the Transaction, references to LL One are also references to the Resulting Issuer.

"CPC" means a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada;

- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.

"CPC Escrow Agreement" has the meaning ascribed to such term under the heading *"Part III. Information Concerning the Resulting Issuer – Escrowed Securities – CPC Escrowed Securities"*.

"CPC Policy" means TSX-V Policy 2.4 – *Capital Pool Companies*.

"Credit Facilities" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – General Development of the Business"*.

"Dealer Agreements" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – Description of the Business"*.

"Debt Financing" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – General Development of the Business"*.

"Ebbtide" means Ebbtide Holdings, LLC.

"Ebbtide Agreement" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – Description of the Business – General"*.

"EBITDA" means earnings before interest, taxes, depreciation, and amortization.

"Escrowed Funds" has the meaning ascribed to such term under the heading *"Part II. Information Concerning LBCI – General Development of the Business"*.

"Exchange" or **"TSX-V"** means the TSX Venture Exchange.

"Exchange Policies" means the policies included in the TSX-V Corporate Finance Manual and **"Exchange Policy"** means any one of them.

"Filing Statement" means this filing statement of the Corporation.

"Financial Statements" has the meaning ascribed to such term under the heading *"Summary of Filing – Selected Pro Forma Consolidated Financial Information"*.

"Final Exchange Bulletin" means the bulletin which is issued following Closing of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction.

"Holding company" has the meaning ascribed to such term under the heading *"Part III. Information Concerning the Resulting Issuer – Escrowed Securities – CPC Escrowed Securities"*.

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"Insider" if used in relation to an issuer, means:

- (a) a director or senior officer of an issuer;
- (b) a director or senior officer of a company that is an insider or subsidiary of an issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of an issuer; or

(d) an issuer itself if it holds any of its own securities.

"Intellectual Property Assets" means all right, title and interest of LBCI in and to any of the following:

- (a) all trade secrets, confidential information and confidential know-how in which LBCI now has or hereafter may have an interest, whether patented or unpatented, published or unpublished;
- (b) all trade-marks (both registered and unregistered), design marks, logos, trade names, domain names, registrations and applications that have been or shall be made or filed at any trade-marks or similar office in any jurisdiction, and all records thereof and reissues, extensions or renewals thereof, and all common law and other rights in the foregoing;
- (c) all patents and patent applications which LBCI now owns or may hereafter own that have been or shall be made or filed in any patent or similar office of any jurisdiction; and
- (d) all copyrights that LBCI now owns or may hereafter own, including all registrations and applications that have been or shall be made or filed in the copyright or similar office of any jurisdiction, and all common law and other rights in the foregoing.

"IPO" has the meaning ascribed to such term under the heading *"Summary of Filing – The Companies – LL One"*.

"LBCI" or **"Target"** means The Limestone Boat Company Inc.

"LBCI Assets" means all of the right, title, estate and interest LBCI or the LBCI Subsidiaries have in and to their property and assets, real and personal, moveable and immoveable, of whatsoever nature and kind and wheresoever situated, including but without limitation, the assets as more particularly set forth and described in the LBCI Financial Statements and the Intellectual Property Assets;

"LBCI Board" means the board of directors of LBCI.

"LBCI Broker Warrant" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LBCI Class A Common Shares" means the Class A common shares in the capital of LBCI issued and outstanding.

"LBCI Common Shares" means the founder common shares in the capital of LBCI.

"LBCI Compensation Warrant" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LBCI Dealer" means a registered dealer of LBCI products appointed pursuant to the terms of an executed Dealer Agreement.

"LBCI Financial Statements" has the meaning ascribed to such term under the heading *"Summary of Filing – Selected Pro Forma Consolidated Financial Information"*.

"LBCI Limited Warranty" has the meaning ascribed to such term under the heading *"Information Concerning LBCI – Description of the Business – Manufacturing and Warranty"*.

"LBCI Optionholders" means the holders of LBCI Options and **"LBCI Optionholder"** means any one of them.

"LBCI Options" means any options to acquire LBCI Common Shares outstanding immediately prior to Closing.

"LBCI Shareholders" means the holders of LBCI Shares and **"LBCI Shareholder"** means any one of them.

"LBCI Shares" means, collectively the LBCI Common Shares, the LBCI Class A Common Shares and the LBCI Subscription Receipts and **"LBCI Share"** means any one of the LBCI Common Shares, the LBCI Class A Common Shares and the LBCI Subscription Receipts.

"LBCI Subscription Receipt Agency Agreement" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LBCI Subscription Receipt Agent" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LBCI Subscription Receipt Agreement" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LBCI Subscription Receipt Financing" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LBCI Warrantholders" means the holders of LBCI Warrants and **"LBCI Warrantholder"** means any one of them.

"LBCI Warrants" means the common share purchase warrants to purchase LBCI Common Shares outstanding immediately prior to Closing.

"LBCI Work Warrant" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"Lender" has the meaning ascribed to such term under the heading *"Part II. Information Relating to LBCI – General Development of the Business"*.

"LL One Assets" means all of LL One's right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the audited financial statements of LL One for the financial years ended March 31, 2020 and 2019 and the unaudited interim financial statements for the three and nine months ended December 31, 2020 and 2019.

"LL One Board" means the board of directors of LL One.

"LL One Broker Warrants" has the meaning ascribed to such term under the heading *"Part I Information Concerning LL One - Description of the Securities - LL One Common Shares"*.

"LL One Common Shares" means common shares in the capital of LL One.

"LL One Exchange Options" means the options to purchase LL One Common Shares to be issued by LL One pursuant to the LL One Stock Option Plan in exchange for the LBCI Options outstanding at Closing.

"LL One Exchange Warrants" means the warrants to purchase LL One Common Shares to be issued by LL One in exchange for the LBCI Warrants outstanding at Closing.

"LL One Options" has the meaning ascribed to such term under the heading *"Part I. Information Concerning LL One – Stock Option Plan"*.

"LL One Shareholders" has the meaning ascribed to such term under the heading *"Risk Factors"*.

"LL One Stock Option Plan" has the meaning ascribed to such term under the heading *"Part I. Information Concerning LL One – Stock Option Plan"*.

"**LOI**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction*".

"**Mark Ellis Design Licensing Agreement**" has the meaning ascribed to such term under the heading "*Part II. Information Relating to LBCI– Description of the Business*".

"**MD&A**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Selected Pro Forma Consolidated Financial Information*".

"**Meeting**" means the annual general and special meeting of the Corporation held on December 15, 2020.

"**Member**" means a Person who has executed the Members' Agreement, as amended, and is accepted as and becomes a member of the Exchange under the Exchange Policies.

"**Members' Agreement**" means the Members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a Member of the Exchange.

"**Name Change**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction – Name Change*".

"**Named Executive Officer**" has the meaning ascribed to such term under the heading "*Part II. Information Concerning LBCI – Executive Compensation – Summary Compensation Table*".

"**NCF**" has the meaning ascribed to such term under the heading "*Part II. Information Relating to LBCI – General Development of the Business*".

"**NCF Facility**" has the meaning ascribed to such term under the heading "*Part II. Information Relating to LBCI – General Development of the Business*".

"**Newco**" means 2790889 Ontario Inc., a corporation incorporated under the OBCA for the purposes of completing the Transaction and a wholly-owned subsidiary of LL One.

"**Newco Share**" means the common shares in the capital of Newco.

"**Non-Arm's Length Party**" means in relation to a company, a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**Person**" means a company or individual.

"**Principal**" has the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*.

"**Private Placement**" means, collectively, the LBCI Subscription Receipt Financing and the Concurrent Equity Offering.

"**Promoter**" means a promoter as prescribed by applicable securities laws.

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means, which, for the purposes of

this Filing Statement has the particular meaning ascribed to such term under "*Summary of Filing Statement – The Qualifying Transaction*".

"Related Party Transaction" has the meaning ascribed to such term in the Exchange Policies, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

"Resulting Issuer" means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin and in this Filing Statement means "LL One Inc." following completion of the Transaction and issuance of the Final Exchange Bulletin. It is anticipated that the Resulting Issuer will change its name from "LL One Inc." to "The Limestone Boat Company Limited."

"Resulting Issuer Common Shares" means the common shares of the Resulting Issuer following Closing of the Transaction.

"Resulting Issuer Options" means the options to purchase Resulting Issuer Common Shares following Closing of the Transaction.

"Resulting Issuer Securities" means collectively, Resulting Issuer Common Shares, the Resulting Issuer Options and the Resulting Issuer Warrants following Closing of the Transaction.

"Resulting Issuer Shareholder" has the meaning ascribed to such term under the heading "*Part III. Information Concerning Resulting Issuer– The Qualifying Transaction – Acquisition Agreement – Mutual Conditions and Covenants*".

"Resulting Issuer Stock Option Plan" has the meaning ascribed to such term under the heading "*Part III. Information Concerning the Resulting Issuer – Options to Purchase Securities – Stock Option Plan*".

"Resulting Issuer Warrants" means the warrants to purchase Resulting Issuer Common Shares following Closing of the Transaction.

"Reverse Takeover" has the meaning ascribed to such term in Exchange Policy 5.2 – *Changes of Business and Reverse Takeovers*.

"SEDAR" means the System for Electronic Document Analysis and Retrieval, having a website address at www.sedar.com.

"Share Exchange Ratio" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Qualifying Transaction*".

"Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the initial listing requirements of the Exchange.

"Sponsor" has the meaning ascribed to such term in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"Surplus Security Escrow Agreement" has the meaning ascribed to such term under the heading "*Part III. Information Concerning the Resulting Issuer – Escrowed Securities – Resulting Issuer Escrowed Securities*".

"Target Company" means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

"Transaction" means the acquisition by LL One of all of the LBCI Shares in consideration for the issuance of, an aggregate of approximately 85,727,350 LL One Common Shares, to the LBCI Shareholders pursuant to the terms of the Acquisition Agreement.

"TSX" means the Toronto Stock Exchange.

"Value Security Escrow Agreement" has the meaning ascribed to such term under the heading *"Part III. Information Concerning the Resulting Issuer – Escrowed Securities – Resulting Issuer Escrowed Securities"*.

"Voting Shares" means a security of an issuer that (a) is not a debt security, and (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

"Warrant" has the meaning ascribed to such term under the heading *"Summary of Filing Statement – Private Placement"*.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to "\$" in this Filing Statement refer to Canadian dollars and all references herein to "US\$" in this Filing Statement refer to United States dollars

NON-IFRS MEASURES

LBCI has included references to EBITDA, a non-IFRS performance measure herein. LBCI believes that, in addition to conventional measures prepared in accordance with IFRS, that this non-IFRS performance measures provide useful information to both management and investors to evaluate LBCI's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This non-IFRS performance measure does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING INFORMATION

This Filing Statement contains forward-looking statements or forward-looking information within the meaning of applicable securities laws which may include, but is not limited to, statements or information with respect to the anticipated benefits resulting from the Transaction, the timing and success of applications to obtain approvals required with respect to the Transaction and the nature of the business and operations of the Resulting Issuer following the completion of the Transaction. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Examples of such statements include: (a) the intention to complete the Transaction and the terms on which the Transaction is intended to be completed; (b) the description of the Resulting Issuer, and LBCI that assumes completion of the Transaction; and (c) in respect of the Resulting Issuer, statements pertaining to the acquired subsidiaries' proposed operations and method for funding thereof, expectations regarding the ability to raise capital and to be able to obtain and maintain all applicable licenses and permits for all subsidiaries' operations, treatment under governmental regulatory regimes and tax laws, capital expenditure programs and the timing and method of financing thereof and future development plans and status of assets, future growth and performance.

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of LBCI, or the Resulting Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and forward-looking information. Such factors include, but are not limited to: the risks and

uncertainties involved in satisfying the conditions to close the Transaction; the difficulties associated with the nature of the Resulting Issuer's business and operations following the Transaction; the ability to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin; the ability to obtain necessary financing; the successful integration of LL One and its acquired subsidiaries; the economy generally; current and future stock prices; results of operations; availability of permits and licenses; market conditions; the regulatory and foreign environment; future capital and other expenditures (including the amount, nature and sources of funding thereof); competitive advantages; fluctuations in foreign currency exchange rates; business prospects and opportunities; transportation delays, accidents, labour disputes and other risks in the boating segment of the marine industry; political developments; arbitrary changes in law; delays in obtaining governmental approvals and anticipated and unanticipated costs; as well as those factors discussed in the section entitled "Risk Factors" in this Filing Statement.

Although LL One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements and forward-looking information contained herein are made as of the date of this Filing Statement, and LL One, LBCI, and the Resulting Issuer disclaim any obligation to update any forward-looking statements or forward-looking information if these beliefs, estimates and opinions or circumstances should change, except as required by applicable law. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information due to the inherent uncertainty in them. All forward-looking statements and forward-looking information contained or incorporated by reference in this Filing Statement are qualified by this cautionary statement.

INFORMATION PERTAINING TO LL ONE

The information contained in this Filing Statement with respect to LL One Inc. (the "**Corporation**" or "**LL One**") and 2790889 Ontario Inc. ("**Newco**") has been furnished by LL One or has been taken from or is based upon publicly available documents or records of LL One on file with Canadian securities administrators and other public sources.

INFORMATION PERTAINING TO LBCI

The information contained in this Filing Statement with respect to The Limestone Boat Company Inc. ("**LBCI**"), has been furnished by LBCI. Accordingly, LL One and its directors, officers, employees, representatives and agents assume no responsibility for the accuracy or completeness of such information with respect to LBCI.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

All trademarks used in this Filing Statement are the property of their respective owners and may not appear with the "®" symbol.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Corporation, Target and Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Certain capitalized terms and abbreviations used in this Filing Statement shall have the meaning ascribed to such terms in the "Glossary of Terms".

The Companies

LL One Inc.

The Corporation is a CPC which completed its initial public offering ("**IPO**") of 4,200,000 common shares at a purchase price of \$0.10 per common share for gross proceeds of \$420,000 on August 8, 2019. LL One was incorporated under the OBCA on March 14, 2018 and is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The head and registered office of LL One is located at 3400 One First Canadian Place, Toronto, Ontario M5X 1A4.

See "*Part I. Information Concerning LL One – General Development of the Business*".

Newco

Newco was incorporated on November 10, 2020 under the OBCA for the purposes of carrying out the Transaction, and is a wholly-owned subsidiary of LL One.

Newco has its head and registered office located at 3400 One First Canadian Place, Toronto, Ontario M5X 1A4.

The Limestone Boat Company Inc.

LBCI was incorporated under the OBCA on January 14, 2020, under the name "2736905 Ontario Inc." The name was subsequently changed on September 11, 2020 to "The Limestone Boat Company Inc." LBCI intends to provide a line of high-end, fiberglass power boats between 17 and 29 feet in length. Registered LBCI Dealers and sales are in the United States and Canada.

LBCI's head and registered office is located at 3450 Landmark Rd, Unit C, Burlington, Ontario L7M 1S8.

See "*Part II. Information Concerning LBCI – General Development of the Business*".

The Qualifying Transaction

The series of transactions described in this Filing Statement and contemplated in the transaction documents referenced herein are proposed to constitute a Qualifying Transaction (the "**Qualifying Transaction**"), as such term is defined in the CPC Policy. On October 9, 2020, LL One and LBCI entered into a non-binding letter of intent (the "**LOI**") to outline a proposal by which LL One will acquire all of the issued and outstanding LBCI Shares, with the intention that the Transaction will constitute LL One's Qualifying Transaction. The Qualifying Transaction will be completed by way of a three-cornered amalgamation among LL One, Newco and LBCI, pursuant to the Acquisition Agreement and an associated amalgamation agreement (the "**Amalgamation Agreement**").

As set out in more detail in the Acquisition Agreement and Amalgamation Agreement posted under LL One's SEDAR profile, the completion of the Transaction will involve the following main elements:

- (a) Newco and LBCI will amalgamate (the "**Amalgamation**") pursuant to the terms of the Acquisition Agreement and the Amalgamation Agreement, the result of which shall be:
 - a. LL One shall issue 50 LL One Common Shares for each LBCI Share held by a LBCI Shareholder (the "**Share Exchange Ratio**");
 - b. Each Newco Share will be cancelled and, in consideration therefor, Amalco shall issue one Amalco Share to LL One for each such cancelled Newco Share.
 - c. Each LBCI Option will be cancelled and, in consideration therefor, LL One shall issue LL One Exchange Options to the LBCI Optionholders. The rate of exchange of LL One Exchange Options for LBCI Options shall be equal to the Share Exchange Ratio.

- d. Each LBCI Warrant will be cancelled and, in consideration therefor, LL One shall issue LL One Exchange Warrants to the LBCI Warrantholders. The rate of exchange of LL One Exchange Warrants for LBCI Warrants shall be equal to the Share Exchange Ratio.
- e. Each LBCI Share held by LL One as a result of the exchange with LBCI Shareholders will be cancelled and LL One will receive for each such cancelled LBCI Share, one Amalco Share and Amalco will be a wholly-owned subsidiary of LL One.

(b) On or before the Closing Date, LL One will change its name to "The Limestone Boat Company Limited".

Acquisition Agreement

On November 13, 2020, LL One, LBCI and Newco entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, LBCI and Newco agreed to amalgamate and continue as one corporation (the resultant corporation being "**Amalco**"). Moreover, pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, LL One, concurrently with the Amalgamation, agreed to acquire all of the issued and outstanding common shares in the capital of LBCI in consideration for the issuance of 50 LL One Common Shares, at a deemed issue price per share of \$0.16, for each LBCI Share held by the former LBCI Shareholders, resulting in the issuance of an aggregate of approximately 85,727,350 LL One Common Shares. Each Newco Share will be cancelled and, in consideration therefor, Amalco shall issue one Amalco Share to LL One for each such cancelled Newco Share.

Name Change

On or before the Closing Date, LL One Inc. shall change its name from "LL One Inc." to "The Limestone Boat Company Limited" (the "**Name Change**").

The Resulting Issuer

Upon completion of the Transaction and other ancillary transactions contemplated by the Acquisition Agreement and the Amalgamation Agreement, Amalco will become a wholly-owned subsidiary of the Resulting Issuer and the business of the Resulting Issuer, will be the marine business of LBCI. Subject to approval by the Exchange, it is expected that the Resulting Issuer will be listed on the Exchange as a Tier 2 Industrial, Technology or Life Sciences Issuer (as defined under the Exchange Policies). The Resulting Issuer's head and registered office will be located at 3450 Landmark Rd, Unit C, Burlington, Ontario L7M 1S8.

Following the completion of the Transaction, the original shareholders of LL One will hold an aggregate of approximately 12,200,000 Resulting Issuer Common Shares, representing approximately 12.46% of the then issued and outstanding Resulting Issuer Common Shares; and original shareholders of LBCI will hold an aggregate of approximately 85,727,350 Resulting Issuer Common Shares, representing approximately 87.54% of the then issued and outstanding Resulting Issuer Common Shares.

See "*Part III. Information Concerning the Resulting Issuer*".

Estimated Funds Available

Prior to the Private Placement, the consolidated working capital deficiency of the Resulting Issuer as of January 31, 2021 is \$(98,709). The table below shows the breakdown of the estimated funds available:

Estimated Funds Available	Amount (\$)
<i>Pro forma</i> consolidated working capital deficiency prior to the Private Placement.....	(98,709)
Estimated net proceeds of the Private Placement	2,619,757
Total other funds available	nil

Intended Use of Funds

Based on the information available as at the date of this Filing Statement, assuming the completion of the Transaction, the Resulting Issuer is expected to have approximately \$2,521,048 in working capital as at January 31, 2020.

The Resulting Issuer's operations will be funded primarily from working capital and cash generated from operations. As a result of the contracted sales and indicated purchase orders for the 2021 fiscal year, the Resulting Issuer expects to generate EBITDA of approximately \$(531,700) in Q1 of 2021, \$1,121,200 in Q2 of 2021, \$1,726,500 in Q3 of 2021 and \$1,860,602 in Q4 of 2021. This assumes that LBCI meets its objective of selling 123 boats in 2021. As of the date hereof, it has 72 confirmed boat orders. As the business is not capital intensive, operations will not be expected to require the Resulting Issuer to raise additional cash through equity or debt issuances. Additional capital may be required should the Resulting Issuer decide to pursue acquisitions, however, any such transactions will likely have the impact of increasing cash flow and will not impact operating cash requirements.

See "Part III. Information Concerning the Resulting Issuer – Narrative Description of the Business – Business Objectives and Milestones".

Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives as set out in this Filing Statement. The Resulting Issuer may also require additional funds in order to fulfill all of its expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional shares or incur debt. There is no assurance that any additional funding required by the Resulting Issuer will be available if required.

Selected *Pro Forma* Consolidated Financial Information

The following table sets out selected financial information for LL One, LBCI, and selected unaudited *pro forma* consolidated financial information for the Resulting Issuer, after giving effect to the Transaction and certain other adjustments. This financial information should be read in conjunction with the financial statements and reports thereon included in this Filing Statement (collectively, the "**Financial Statements**"), being the:

- unaudited interim financial statements of LL One for the three and nine month interim periods ended December 31, 2020 and 2019 and the audited financial statements of LL One for the financial years ended March 31, 2020 and 2019, which are attached hereto as "*Appendix A – Financial Statements of LL One*";
- management's discussion and analysis ("**MD&A**") of LL One for the nine month interim period ended December 31, 2020 and MD&A of LL One for the financial year ended March 31, 2020, which are attached hereto as "*Appendix B – Management's Discussion and Analysis of LL One*";
- audited consolidated financial statements of LBCI for the 353 day period ended December 31, 2020 ("**LBCI Financial Statements**"), which is attached hereto as "*Appendix C – Consolidated Annual Financial Statements of LBCI*";
- MD&A of LBCI for the 353 day period ending December 31, 2020, which is attached hereto as "*Appendix D – Management's Discussion and Analysis of LBCI*";
- unaudited *pro forma* financial statements of the Resulting Issuer, consisting of a *pro forma* statement of financial position prepared as at December 31, 2020, all of which give effect to the completion of the Transaction, which are attached hereto as "*Appendix G – Pro Forma Financial Statements of Resulting Issuer*".

The information provided in the table below is derived from the interim financial statements of LL One for the interim period ended December 31, 2020, the audited annual consolidated financial statements of LBCI for the period between

incorporation (January 14, 2020) to December 31, 2020, and the *pro forma* financial statements of the Resulting Issuer as at December 31, 2020.

Balance Sheet Data	LL One as at December 31, 2020 (\$)	LBCI as at December 31, 2020 (\$)	Proforma adjustments	Resulting Issuer as at December 31, 2020 (\$)
Current assets	568,273	424,392	2,319,757	3,312,422
Other assets		798,896		798,896
Total assets	568,273	1,223,228	2,319,757	4,111,318
Current liabilities	11,743	1,004,631	-225,000	791,374
Other liabilities				
Total liabilities	11,743	1,004,631	-225,000	791,374
Total shareholders' equity	556,530	218,657	2,544,757	3,319,944

See "Part I. Information Concerning LL One – Selected Consolidated Financial Information and Management's Discussion and Analysis – Financial Information", "Part II. Information Concerning LBCI – Selected Consolidated Financial Information and Management's Discussion and Analysis – Financial Information" and "Appendix G – Pro Forma Financial Statements of the Resulting Issuer".

Listing and Market Price of LL One Common Shares

LL One Common Shares are listed on the Exchange under the symbol "LLO.P". The closing market price of LL One Common Shares on October 9, 2020, the last trading day immediately preceding the announcement of the Transaction, was \$0.125. It is anticipated that the Resulting Issuer Common Shares will resume trading on the Exchange upon completion of the Transaction under the symbol "BOAT".

See "Part I. Information Concerning LL One – General Development of Business" and "Part I. Information Concerning LL One – Stock Exchange Price".

No public market exists for the Amalco Shares or the LBCI Common Shares.

See "Part II. Information Concerning LBCI – General Development of Business" and "Part II. Information Concerning LBCI – Stock Exchange Price".

Interest of Insiders, Promoters and Control Persons

Other than as disclosed below, the Resulting Issuer does not anticipate any additional Insiders, Promoters or Control Persons and no Associates and Affiliates thereof being formed on completion of the Transaction:

Insider, Promoter or Control Person (including Associates and Affiliates)	Position	Number and Percentage of LL One Common Shares, LBCI Common Shares or LBCI Class A Common Shares Prior to the Transaction	Number and Percentage of Resulting Issuer Common Shares upon Completion of the Transaction⁽¹⁾
Telfer Hanson ⁽²⁾	Proposed Chairman and Director	265,625 LBCI Common Shares 60,772 LBCI Class A Common Shares	16,319,850 16.67%
Scott Hanson ⁽³⁾	Proposed CEO and Director	350,000 LBCI Common Shares	17,500,000 17.87%

Insider, Promoter or Control Person (including Associates and Affiliates)	Position	Number and Percentage of LL One Common Shares, LBCI Common Shares or LBCI Class A Common Shares Prior to the Transaction	Number and Percentage of Resulting Issuer Common Shares upon Completion of the Transaction ⁽¹⁾
Donald Page ⁽⁴⁾	Proposed CFO	100,000 LBCI Common Shares	5,000,000 5.11%
Alan Gertner ⁽⁵⁾	Proposed Director	15,000 LBCI Class A Common Shares 800,000 LL One Common Shares	1,550,000 1.58%
Bryan Pearson	Proposed Lead Independent Director	50,000 LBCI Class A Common Shares	2,500,000 2.55%
Charmaine Crooks	Proposed Independent Director	nil	nil
Charles Pennock	Proposed Independent Director	5,000 LBCI Class A Common Shares	250,000 0.26%
Taylor Hanson	Proposed COO	200,000 LBCI Common Shares	10,000,000 10.21%
Elliot Kocken	Marketing Coordinator	100,000 LBCI Common Shares	5,000,000 5.11%
David Tawststjerna	Director of Sales	100,000 LBCI Common Shares	5,000,000 5.11%

Notes:

- (1) All numbers are provided on an undiluted basis.
- (2) Shares are held by Telfer Hanson, Madeline Hanson, Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, or RKH Limited, which Mr. Hanson controls.
- (3) Shares are held by Scott Hanson, Cynthia Hayhurst,
- (4) Shares are held by Donald Page or Cathy Page.
- (5) Shares are held by 2441124 Ontario Inc.

Conflicts of Interest

Some of the proposed directors and officers of the Resulting Issuer are also directors, officers and/or Promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they are bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their knowledge, the proposed management of the Resulting Issuer is not aware of the existence of any conflicts of interest between any of their directors and officers as of the date of this Filing Statement, other than as disclosed herein. See "*Risk Factors – Risks Relating to the Resulting Issuer – Conflicts of Interest*" and "*Risk Factors – Risks Relating to the Resulting Issuer – Principal Securityholder*".

Sponsorship

LL One was granted an exemption from sponsorship requirements pursuant to Section 3.4 of TSX-V Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Arm's Length Transaction

The Transaction constitutes a Qualifying Transaction and is not a Non-Arm's Length Qualifying Transaction.

Interests of Experts

Other than as set out below, no Person, whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a

report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of LL One, LBCI, or any of their respective Associates or Affiliates, and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such Person is a Promoter of LL One, LBCI or any of their respective Associates or Affiliates.

Aaron Sonshine is a director of LL One, a shareholder of LBCI, and is also a partner at the law firm of Bennett Jones LLP, which firm provides legal services to LBCI. Mr. Sonshine's equity interest in LL One and LBCI are not considered material.

See "*Part IV. General Matters – Interests of Experts*".

Summary of Risk Factors

There are a number of risk factors associated with an investment in the Resulting Issuer. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Resulting Issuer, including risks related to:

- Risks relating to the Transaction:
 - Market reaction;
 - Costs of the Transaction;
 - Failure to secure a more attractive offer;
 - Termination of the Transaction in certain circumstances;
 - Subsequent financing; and
 - Tax consequences.
- Risks relating to the Resulting Issuer:
 - Reliance on strength of reputation and brands;
 - Third-party manufacturing, transportation and distribution;
 - Reliance on a single manufacturer;
 - Reliance on a single brand;
 - Adverse changes in the size or growth rate of the boat segment of the marine industry;
 - Litigation;
 - Protection of intellectual property;
 - Disruption or breaches in information technology systems;
 - Reliance on a single consumer market;
 - Operating in a foreign country;
 - Volatile market price for Resulting Issuer Common Shares;
 - Inability to successfully implement growth strategy on a timely basis;
 - Sources for materials may fail to support demand and the increasing cost of input could adversely affect margins;
 - Difficulty expanding sales in targeted international markets;
 - Changes in general economic conditions;
 - Holding company status;
 - Management of growth;
 - Increased expenses as a public company;
 - Reliance on management;
 - Principal securityholders;
 - Conflicts of interest;
 - Limited market for securities;
 - Liquidity risk;
 - Negative impacts of unanticipated currency fluctuations;
 - Canada and United States Federal and State Level Tax Matters;
 - Risks relating to the Covid-19 Pandemic.

- Risks relating to the marine industry:
 - Product liability;
 - Product recalls;
 - Product development and innovation;
 - Social acceptability or increased restrictions;
 - Unfavourable weather conditions;
 - Changes in consumer preference or the supply of new boats by competitors;
 - Seasonal nature of business;
 - Fines regarding product safety, health, environment and noise pollution;
 - Competition with other activities;
 - Increase in fuel prices;
 - Environmental regulations and risks;
 - Changes in legal, regulatory and industry standards;
 - Competition;
 - Operating risk and insurance coverage; and
 - Natural disasters, unusual weather and geo-political events.

See "*Risk Factors*" below.

Conditional Listing Approval

The Exchange has conditionally approved the Transaction subject to the Corporation fulfilling all of the requirements of the Exchange on or before May 27, 2021.

RISK FACTORS

An investment in LL One Common Shares (and correspondingly an investment in Resulting Issuer Common Shares) should be considered highly speculative for reasons including, but not limited to, the uncertainty related to completion of the Transaction and the expected business of the Resulting Issuer upon completion of the Qualifying Transaction. In evaluating the Transaction, investors should carefully consider not only the following risk factors relating to the Qualifying Transaction, but the risk factors associated with the businesses of LBCI, being the expected business of the Resulting Issuer, set out below. The following list of risk factors is not a definitive list of all risk factors associated with the Qualifying Transaction. Additional risks and uncertainties, including those currently known or considered immaterial by LL One, may also adversely affect LL One Common Shares prior to the Qualifying Transaction, Resulting Issuer Common Shares and/or the businesses of LL One and the Resulting Issuer. For a description of the risk factors facing the Corporation as a CPC, please see the Corporation's Prospectus, dated July 5, 2019 available on request made to the Corporation or at the Corporation's profile at www.sedar.com.

Risks Relating to the Transaction

Market Reaction

The LL One Common Shares are not currently trading on the TSX-V, and the Corporation cannot assure you that a market will develop or be sustained for the Resulting Issuer Common Shares. If a market does not develop or is not sustained, it may be difficult for you to sell your LL One Common Shares at an attractive price or at all. LL One cannot predict the prices at which the LL One Common Shares will trade.

Costs of the Transaction

Certain costs related to the Qualifying Transaction, such as accounting fees incurred by LL One, must be paid by LL One even if the Qualifying Transaction is not completed.

Failure to Secure a More Attractive Offer

If the Qualifying Transaction is not completed and the LL One Board decides to seek another merger or business combination, there can be no assurance that it will be able to find an equivalent or more attractive price than the consideration pursuant to the Qualifying Transaction.

Termination of the Transaction in Certain Circumstances

Each of LL One, Newco and LBCI has the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurances that the Acquisition Agreement will not be terminated by any of LL One, Newco or LBCI before the completion of the Qualifying Transaction. In addition, the completion of the Qualifying Transaction is subject to a number of conditions precedent, certain of which are outside the control of LL One, Newco or LBCI. There is no certainty that these conditions will be satisfied on a timely basis or at all. If for any reason the Qualifying Transaction is delayed or not completed, the market price of LL One Common Shares may be adversely affected. See "*Risk Factors – Market Reaction*" above.

Subsequent Financing

From time to time, the Resulting Issuer may require subsequent financing. The Resulting Issuer's ability to obtain financing, if and when required, will depend on investor demand, operating performance, the condition of the capital markets and other factors. If the Resulting Issuer raises funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of holders of the Resulting Issuer Common Shares, and existing holders of such shares may experience dilution.

Tax Consequences

The transactions described herein, including the acquisition, ownership and disposition of the Resulting Issuer Common Shares may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Risks Relating to the Resulting Issuer's Business

Reliance on Strength of Reputation and Brands

Any negative publicity about the marine industry generally, or concerning any actual or purported failure by the Resulting Issuer to meet high quality standards or comply with applicable laws and regulations could do significant damage to the Resulting Issuer's reputation and brand and could harm its financial condition and operating results. The Resulting Issuer may be impacted as the perceptions of consumers and others are formed based on modern communication and social media tools over which it has no control. The increasing use of social media has especially heightened the need for reputational risk management procedures. Any actions the Resulting Issuer takes that cause negative public opinion have the potential to negatively impact its reputation, which may materially adversely affect its business, results of operations or financial condition.

Adverse publicity, such as negative media about the marine industry segment generally or about specific types of products within this segment, whether or not accurate, resulting from individuals' use or misuse of the products or questions the quality of its products or similar products or claims that any such products are defective or of lower quality, could negatively impact the Resulting Issuer's reputation or the market demand for its products.

Third-Party Manufacturing, Transportation and Distribution

LBCI, will be operating its business using a supply-chain management system known as "dropshipping" whereby LBCI facilitates the delivery of the goods from a third-party manufacturer to a third-party distributor and then to the end-point consumer. LBCI does not take physical possession of the goods in its inventory at any point during the ordering or

delivery process. Following the completion of the Qualifying Transaction, this same supply-chain management system will be used by the Resulting Issuer.

This system will inherently require that the Resulting Issuer rely on the efforts and services of its third-party manufacturer and the third party manufacturer's carriers and distributors. If issues arise at any step of the supply chain, it could cause logistical problems and delays in customers obtaining their orders beyond the direct control of the Resulting Issuer. There can be no assurance that the third-party manufacturer will reliably manufacture products at the levels of quality or in the quantities required, nor can there be any assurance that the third-party carriers and distributors fulfill their obligations pursuant to their committed timelines. Any insufficiency or delay by third-party services would adversely affect the Resulting Issuer's financial performance.

These third-party business relationships, transactions and contracts will require that such third parties have performance, payment and other obligations to the Resulting Issuer. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, the Resulting Issuer's rights and benefits in relation to such business relationships, contracts and transactions with such third parties could be terminated, modified in an adverse manner, or otherwise impaired. No assurances can be made that the Resulting Issuer would be able to arrange for alternate or replacement business relationships, transactions or contracts on terms as favorable as the initial business relationships, transactions or contracts, if at all. Any inability on the Resulting Issuer's part to do so could have a material adverse effect on its business and results of operations. See also the description of dropshipping in "*Description of Business – Dropshipping*".

Reliance on a Single Manufacturer

LBCI, currently relies exclusively upon one manufacturer, Ebbtide, for the production of all of its products. As a result, any delays or shutdowns that stem from this manufacturer could have a significant impact upon the business of the Resulting Issuer. Additionally, a potential increase in the cost of manufacturing by this one manufacturer would have a significant adverse impact upon the Resulting Issuer's distribution chain and margins.

Ebbtide is located in Tennessee, United States. Consequently, any large fluctuations in the value of the American dollar could have an adverse impact on the Resulting Issuer.

Reliance on a Single Brand

Following the closing of the Qualifying Transaction, the Resulting Issuer will have only one brand of product offerings, "Limestone". In turn, the Resulting Issuer will be reliant on a single brand to generate all of its sales and resultant profit. If any issues arise that could obstruct the Resulting Issuer from being able to sell product under the existing brand, its business and associated financial performance could be materially and adversely affected due to, among other things, loss of brand-recognition and loyalty.

The absence of a second brand necessarily means that the company's reputation, and the perception of its products, are inextricably linked to the "Limestone" name. As a result, any reputational damage to the "Limestone" brand will have an outsize impact upon the Resulting Issuer. Further, the absence of a second brand potentially limits the ability of LBCI to expand its consumer base outside of those who consume "Limestone" products.

Adverse Changes in the Size or Growth Rate of the Industry

The success of LBCI's, and consequently the Resulting Issuer's, growth strategy is primarily tied to the size and growth rate of the boating segment of the marine industry. Underlying market conditions are subject to change based on economic conditions, consumer preferences and other factors that are beyond our control, including media attention, which may be positive or negative. An adverse change in size or growth rate of the marine industry segment could have a material adverse effect on LBCI's and the Resulting Issuer's business, financial condition and results of operations.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of its business which could adversely affect its operations. Should any litigation in which the Resulting Issuer becomes involved be determined

against the Resulting Issuer, such a decision may adversely affect the Resulting Issuer's respective abilities to continue operating, adversely affect the market price of Resulting Issuer Common Shares and use significant resources. Even if the Resulting Issuer, as the case may be, is involved in litigation and succeeds, litigation can redirect significant company resources. Litigation may also create a negative perception of the Resulting Issuer's brand.

Protection of Intellectual Property

LBCI products are not currently protected by patents. LBCI maintains an active research and development program, which will be continued under the Resulting Issuer's operations that is devoted to developing efficiencies in design, production and performance of its products. LBCI protects its investment in research, as well as the techniques it uses to improve our products, by relying on trade secret and trademark laws. Notwithstanding the Resulting Issuer's efforts, there can be no assurance that efforts to protect LBCI's and the Resulting Issuer's trade secrets and trademarks will be successful. The Resulting Issuer intends to maintain and keep current all of its trademark registrations and to pay all applicable renewal fees as they become due. Beyond merely its trademarks, if for any reason the Resulting Issuer is unable to maintain LBCI's current or its future intellectual property rights, its sales of any related products could be materially and negatively affected.

Disruption or Breaches in Information Technology Systems

LBCI's business operations are currently managed through certain information technology systems. The Resulting Issuer will be dependent on these systems for sale transactions, supply-chain management and inventory management. While the systems are designed to operate without interruption, the Resulting Issuer may in the future experience interruptions to the availability of its computer systems from time to time. The failure of the computer systems to operate effectively, keep pace with growing capacity requirements, smoothly transition to upgraded or replacement systems or integrate with new systems could adversely affect LBCI and the Resulting Issuer's business.

In addition, the Resulting Issuer's computer systems may be subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, denial-of-service attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by the Resulting Issuer's or its Affiliates' employees. If the computer systems are damaged or cease to function properly, the Resulting Issuer may have to make an investment to fix or replace them, and it may suffer loss of critical data, compromise to the integrity or confidentiality of customer and employee information in its systems or networks, disruption to any systems or networks of third parties on which it relies, and interruptions or delays in its operations. A lack of relevant and reliable information that enables management to effectively manage the Resulting Issuer's business could preclude it from optimizing its overall performance. Any significant loss of data or failure to maintain reliable data may have an adverse effect on the business and results of operations. Any such disruption may increase the Resulting Issuer's costs, diminish its growth prospects, expose it to litigation, decrease customer confidence and damage its brand, and a material interruption to any of its computer systems could adversely affect the business or results of operations and reputation.

Reliance on a Single Consumer Market

LBCI will distribute its products within the United States and Canada. Unless LBCI expands the reach of its distribution, the Resulting Issuer expects to be reliant on the United States' and Canada's consumer market, alone, to generate all of its sales and resulting profit. In the event that something obstructs the Resulting Issuer's ability to access the United States' and Canadian consumer market, the Resulting Issuer may have significant difficulty generating sales, thus materially and adversely affecting the Resulting Issuer's profitability. As a result, LBCI's operating results and financial performance may be affected by adverse changes in economic conditions (such as economic downturns or trade disputes concerning the imposition of apparel quotas, higher tariffs or other trade barriers), political conditions (such as government elections, terrorist attacks or wars) and social conditions (such as trade union disputes) in the United States or Canada.

Operating in a Foreign Country

All sales are expected to be limited to the United States and Canada, and LBCI's sole manufacturer is located in the United States. As a result, LBCI is exposed to the risks that exist when manufacturing, operating or selling products in a foreign jurisdiction. LBCI is subject to all of the risks associated with complying with the laws and regulations of the countries in which its products are sold. This includes the need to receive licensing approval as well as a responsibility to be compliant with the production requirements of various countries.

In addition, by operating in both the United States and Canada, the Resulting Issuer will be obligated to comply with both U.S. and Canadian regulatory and legal regimes. As a result, LBCI may have more legal and regulatory burdens than a company operating solely in Canada or the United States.

Volatile Market Price for Resulting Issuer Common Shares

The market price for Resulting Issuer Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Resulting Issuer Common Shares;
- sales or perceived sales of additional Resulting Issuer Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts, and investors;
- regulatory changes affecting the Resulting Issuer's industry generally and its business and operations;
- announcements of developments and other material events by the Resulting Issuer or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and input product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of Resulting Issuer Common Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not

changed. There can be no assurance that continuing fluctuations in share prices and volumes will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of Resulting Issuer Common Shares may be materially adversely affected.

Inability to Successfully Implement Growth Strategy on a Timely Basis

LBCI's and the Resulting Issuer's future success depends, in part, on its ability to implement its growth strategy, including (i) product innovations within existing categories, growth into adjacent categories and continued growth of existing product categories; (ii) in support of its profitability targets, improvements in its operating income, gross profit and net income margins. LBCI's ability to implement this growth strategy depends, among other things, on its ability to:

- develop new products and product line extensions that appeal to consumers and will be supported by consumers and distributors;
- maintain and expand brand loyalty and brand recognition by effectively implementing its marketing strategy and advertising initiatives;
- maintain and improve its competitive position with its existing brand in the channels in which LBCI competes;
- identify and successfully enter and market its products in new geographic markets and market segments and categories;
- enter into successful distribution arrangements for the distribution of LBCI's products;
- maintain and, to the extent necessary, improve its high standards for product quality, safety and integrity;
- maintain sources for the required supply of quality materials and components to meet its initial contracted demand for boats; and
- respond to and profit from trends in the boating and marine segments, increased demand from consumers for marine products, increasing quality standards and demand in global markets.

The Resulting Issuer, by way of LBCI, may not be able to successfully implement its growth strategy and reach its revenue and profitability improvement targets. LBCI may need to change its strategy. If LBCI fails to implement its growth strategy or if it invests resources in a growth strategy that ultimately proves unsuccessful, its business, financial condition and results of operations may be materially adversely affected.

Sources for Materials May Fail to Support Demand and Increasing Input Costs Could Adversely Affect Margins

In carrying out the Resulting Issuer's operations, LBCI is dependent on a stable and consistent supply of raw materials and other inputs, including production materials and components. Although most of its products and inputs are generally available from multiple sources, certain materials may be sourced and controlled by a limited number of suppliers. Certain materials are commodities that may experience price volatility due to changing supply and demand conditions, especially if they are sourced and controlled by a limited number of suppliers.

In addition, increasing regulatory requirements and standards with respect to marine products in North America may make it more difficult or costly for certain manufacturers and sources of raw materials and other inputs that LBCI and its suppliers rely on to produce those inputs. This may affect the availability and the speed with which LBCI's products may be produced.

Although we believe the current arrangements for the supply of products and inputs are adequate to cover existing demand and anticipated growth, there can be no assurance that LBCI's suppliers will be able to meet its demand, especially if its business experiences significant growth. Furthermore, there also can be no assurance that LBCI will be able, in the future, to continue to purchase products and inputs from its current suppliers or any other suppliers on

favourable terms or at all. An interruption in the availability of certain materials or products, or significant increases in the prices paid by LBCI for them, could have a material adverse effect on its business, financial condition, liquidity and operating results.

Difficulty Expanding Sales in Targeted Markets

US markets will be a focus for sales growth, and over time LBCI and the Resulting Issuer intend for US sales to comprise a larger percentage of their total sales. Several factors, including weakened economic conditions in any targeted markets, could adversely affect such growth.

Additionally, LBCI's sales into US markets will require management attention and financial resources that would otherwise be spent on other parts of its business. The US is to some degree subject to political, economic and/or social instability. LBCI's sales will expose it to risks and expenses inherent in operating or selling products in US jurisdictions. These risks include:

- adverse currency exchange rate fluctuations, as well as certain sales being denominated in United States dollars;
- risks associated with complying with laws and regulations in the countries in which the products are sold, such as requirements to apply for and obtain licenses, permits or other approvals for its products, and the delays associated with obtaining such licenses, permits or other approvals;
- the costs of adapting products for sale in the US, including but not limited to production and labelling;
- multiple, changing, and often inconsistent enforcement of laws, rules and regulations, including regulations and standards relating to marine products;
- risks associated with the reliance on US Dealers, including the possible failure of US Dealers to appropriately understand, represent and effectively market and sell LBCI's products;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives, and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of Canadian and/or international sanctions against a country, company, person or entity with whom LBCI or its contract manufacturer does business that would restrict or prohibit its continued business with the sanctioned country, company, person or entity;
- downward pricing pressure on products sold in the US markets, due to competitive factors or otherwise;
- laws and business practices favouring local companies;
- political, social or economic unrest or instability;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through various legal system in the US; and
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

LBCI's marketing efforts in the US and possibly other foreign markets may not produce desired levels of sales. If and when LBCI enters into new markets in the future, it may experience different competitive conditions, less familiarity

with its brands and/or different consumer tastes and discretionary spending patterns. As a result, LBCI may be less successful than expected in expanding its sales in its current and targeted markets. To build brand awareness in new markets, LBCI may need to make greater investments in advertising and promotional activities than originally planned, which could negatively impact the profitability in those markets. These or one or more of the factors listed above may harm LBCI's business, results of operations or financial condition.

Changes in General Economic Conditions

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction in the general economy of any of the countries in which LBCI's products are sold. It is even more challenging to estimate growth or contraction in various parts, sectors and regions of the economy of those countries. LBCI's budgeting and forecasting are dependent upon estimates of demand for their products and growth or contraction in the markets LBCI serves. Economic uncertainty complicates reliable estimation of future income and expenditures. Adverse changes in general economic conditions may occur as a result of weakening global economic conditions, tightening of consumer credit, falling consumer confidence, political events or uncertainty, increasing unemployment, declining stock markets or other factors affecting economic conditions generally or in the various countries in which LBCI's products are sold. These changes may adversely affect demand for LBCI's products, increase the cost or decrease the availability of financing to fund its business and growth plans or increase costs associated with manufacturing and distributing its products, any of which could have a material and adverse effect on LBCI's revenue and profitability.

In addition, LBCI's business is cyclical in nature, and LBCI products compete with a variety of other recreational products and activities for consumers' discretionary income and leisure time. Consumer spending habits, including spending on LBCI's products, are affected by, among other things, prevailing economic conditions, levels of employment, fuel prices, salaries and wages, the availability of consumer credit, consumer confidence and consumer perception of economic conditions. A general economic slowdown in any of LBCI's active markets could decrease demand for its products, which would adversely affect LBCI's revenue. In addition, an uncertain economic outlook may adversely affect consumer spending habits and customer traffic, which may result in lower revenue. A prolonged economic downturn in any of LBCI's markets could have a material negative impact on its business, financial condition and performance. Such would equivalently impact the Resulting Issuer.

Holding Company Status

The Resulting Issuer is, at least initially upon completion of the Qualifying Transaction, a holding company and essentially all of its operating assets are the capital stock of its subsidiary. As a result, investors in the Resulting Issuer are subject to the risks attributable to its subsidiary. As a holding company, the Resulting Issuer conducts substantially all of its business through its subsidiary, which generate substantially all of its revenues. Consequently, the Resulting Issuer's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiary and the distribution of those earnings to the Resulting Issuer. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by the company. In the event of a bankruptcy, liquidation or reorganization of any of the Resulting Issuer's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Resulting Issuer.

Management of Growth

The Resulting Issuer and its subsidiary may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require continued implementation and improvement of their operational and financial systems and to expand, train and manage their respective employee bases. The inability of the Resulting Issuer to deal with growth may have a material adverse effect on their respective businesses, financial conditions, results of operations and prospects.

Increased Expenses as a Public Company

The Resulting Issuer will incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact its performance and could cause its results of operations and financial condition to suffer more than those of LBCI as a private company. Compliance with applicable securities laws in Canada and the rules of the Exchange substantially increases the Resulting Issuer's expenses, including its legal and accounting costs, and make some activities more time-consuming and more expensive. Reporting obligations as a public company and the Resulting Issuer's anticipated growth may place a strain on its financial and management systems, processes and controls, as well as on its personnel.

The Resulting Issuer also expects these laws, rules and regulations to make it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Resulting Issuer to attract and retain qualified persons to serve on its board of directors or as officers. As a result of the foregoing, the Resulting Issuer will likely experience a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact its financial performance and may cause its results of operations and financial condition to suffer.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Principal Securityholders

Upon completion of the Transaction, the Resulting Issuer's largest shareholders are expected to be certain former LBCI Shareholders, being Scott Hanson, Cynthia Hayhurst, Telfer Hanson, Madeline Hanson, the Telfer Hanson (2017) Family Trust, RKH Limited, and Taylor Hanson collectively holding in the aggregate, 43,819,850 Resulting Issuer Common Shares, or 44.75% of the outstanding Resulting Issuer Common Shares after giving effect to the Transaction based on a total of 97,927,350 Resulting Issuer Common Shares issued and outstanding upon the completion of the Transaction. The LBCI Shareholders will have a controlling interest in the Resulting Issuer and will be in the position to exert significant influence on the corporate actions that the Resulting Issuer takes. The LBCI Shareholders will have a significant influence on determining the outcome of any corporate transaction or other matter submitted to shareholders for approval, including mergers, consolidations and the sale of all or substantially all of the Resulting Issuer's assets, election of directors and other significant corporate actions. The LBCI Shareholders' controlling interest could also have the effect of delaying or preventing a change of control of the Resulting Issuer or entrenching the Resulting Issuer's board of directors or the Resulting Issuer's management, which could conflict with the interests of the other shareholders and, consequently, could adversely affect the market price of the Resulting Issuer's securities. Finally, due to The LBCI Shareholders' significant shareholdings, there can be no guarantee of a ready liquid market for Resulting Issuer Common Shares.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may now or in the future be engaged in a range of business activities. In addition, the Resulting Issuer's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. External business interests may require significant time and attention of the Resulting Issuer's executive officers and directors. In some cases, executive officers and directors may have fiduciary obligations associated with external business interests that may interfere with their abilities to devote time to the Resulting Issuer's businesses and affairs, as applicable, and this could adversely affect the Resulting Issuer's operations.

In addition, the Resulting Issuer may also become involved in transactions that conflict with the interests of its directors and the officers, who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons, firms, institutions or corporations could conflict with those of the Resulting Issuer. In addition, from time to time, these persons, firms, institutions or corporations may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under the applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Limited Market for Securities

Upon completion of the Qualifying Transaction, the Resulting Issuer Common Shares will be listed on the Exchange, however, there can be no assurance that an active and liquid market for the Resulting Issuer Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Liquidity Risk

Liquidity risk is the risk that the Resulting Issuer will not be able to meet its financial obligations as they become due. The Resulting Issuer's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they become due. The Resulting Issuer shall facilitate this in part by maintaining a line of credit with a major Canadian bank.

Negative Impacts of Unanticipated Currency Fluctuations

Currency fluctuations may materially affect the financial position and results of the Resulting Issuer. The Resulting Issuer's earnings and cash flow may also be affected by fluctuations in the exchange rate between the U.S. dollar and other currencies, such as the Canadian dollar.

Canada and United States Federal and State Level Tax Matters

As the Resulting Issuer's business is conducted in both Canada and the United States. Due to the income tax treaty between the United States and Canada, LBCI is not subject to U.S. federal income tax. Under the treaty, the business profits of an enterprise of a contracting state are taxable only in that state unless the business carries on business in the other contracting state through a permanent establishment situated therein. As certain states do not recognize federal treaty regulations, there is a risk that these states determine a state income tax liability exists. The Resulting Issuer cannot provide assurance that it will not be subject to U.S. federal, state or local income tax in the future.

There is a risk that U.S. and could assert that the Resulting Issuer is liable for U.S. state and local or other foreign business activity taxes, which are levied upon income or gross receipts, or for the collection of U.S. state and local sales and use taxes. The Resulting Issuer cannot provide assurance that it will not be subject to sales and use taxes or related penalties for past sales in jurisdictions where the Resulting Issuer currently believes no such taxes are required.

Risks relating to the COVID-19 Pandemic

The COVID-19 Pandemic may adversely affect, the operation of LBCI's manufacturing partner, and those of the LBCI Dealers and suppliers, thereby adversely affecting LBCI's business, financial condition and results of operations.

The COVID-19 Pandemic has significantly impacted health and economic conditions throughout Canada, the United States and the world. Consumer fear about becoming ill with the virus and recommendations and/or mandates from federal, provincial, state and local authorities to avoid large gatherings of people or self-quarantine have been imposed.

While we cannot predict the ultimate impact of the COVID-19 Pandemic on LBCI's business at this time, the pandemic and related efforts to mitigate the pandemic may impact LBCI's business in a number of ways, including but not limited to:

- decreasing consumer confidence as a result of the economic impact of the pandemic, which could result in a decrease in consumer demand for recreational boats;
- disrupting LBCI's contract manufacturer's processes;
- adversely impacting the financial health of the LBCI Dealers who typically require financing to purchase boats;
- adversely impacting the business of LBCI's suppliers, which could result in among other things, delays for delivery of raw materials and components needed for the production of LBCI's boats;
- impacting LBCI's contract manufacturer's ability to maintain its workforce during this uncertain time.

Any or all of these items may occur, which individually or in the aggregate, may have a material adverse effect on LBCI's business, financial condition, results of operations and cash flows. These risks could accelerate or intensify depending on the severity and length of the pandemic.

The ultimate magnitude of the COVID-19 Pandemic, including the extent of its impact on LBCI's financial condition and results of operations, which could be material, will depend on all of the factors noted above, including other factors that we may not be able to forecast at this time. While we expect the impacts of the COVID-19 Pandemic to have an adverse effect on LBCI's business, financial condition and results of operations, we are unable to predict the extent of these impacts at this time.

Risks Relating to the Marine Industry

Product Liability

As a distributor of products designed to be used in a safe manner, LBCI, and thereby the Resulting Issuer, face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involves the risk of injury or loss to consumers due to tampering by unauthorized third parties, product defects, unauthorized use by consumers or other third parties. The Resulting Issuer may be subject to various product liability claims, including, among others, that its products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, adversely affect its reputation with its clients and consumers generally, and adversely affect the results of operations and financial conditions of the Resulting Issuer.

Product Recalls

Manufacturers and distributors of products may be subject to the recall or return of their products for a variety of reasons, including product defects, such as engine recalls or other third party component defects, unintended manufacturing errors or inaccurate labeling disclosure. If any of the Resulting Issuer's products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales

and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. See also the risk factor '*Reliance on a Single Manufacturer*' above.

Success Depends on Product Development and Innovation

The Resulting Issuer's business will be subject to changing consumer trends and preferences and will depend, in part, on continued consumer interest in its products, including line extensions, new designs and new brands. There can be no assurance that consumers will accept any such products or that the Resulting Issuer will be able to attain sufficient market share for such products. The success of any product offerings depends upon a number of factors, including the Resulting Issuer's ability to: (i) accurately anticipate customer needs; (ii) develop new products, or updates to its current products, that meet these needs; (iii) successfully commercialize new products, or updates to its current products, in a timely manner; (iv) price products competitively; (v) manufacture and deliver products in sufficient volumes and in a timely manner; (vi) differentiate product offerings from those of competitors; and (vii) maintain relationships with its advisors, employees and consultants in order to benefit from their expertise and innovations.

The new products of the Resulting Issuer's competitors may beat its products to market, with better design and or be less expensive than its products. They may obtain better market acceptance than the Resulting Issuer's products or render its products obsolete. If the Resulting Issuer does not introduce new products, or updates to its current products, to meet the changing needs and tastes of consumers in a timely manner and more effectively than its competitors, it may experience declining sales, which could have an adverse effect on its operating results.

Additionally, the development and introduction of new products, or updates to its current products may require substantial research, development and marketing expenditures, which the Resulting Issuer may be unable to recoup if new products do not gain widespread market acceptance or if the market for such products does not develop as expected. Efforts to accelerate its innovation capabilities may exacerbate risks associated with innovation. If the Resulting Issuer is unsuccessful in meeting its objectives with respect to new products, its financial condition, reputation and results of operations could be harmed.

Decline in Social Acceptability of Products or Increased Restrictions

Demand for the Resulting Issuer's products depends in part on their social acceptability. Public concerns about the environmental impact of the Resulting Issuers' products or their perceived safety could result in diminished social acceptance. Circumstances outside the Resulting Issuer's control, such as social action to reduce the use of fossil fuels, could also negatively impact consumers' perceptions of the Resulting Issuer's products. Any decline in the social acceptability of the Resulting Issuer's products could negatively impact their sales or lead to changes in laws, rules and regulations that prevent their access to certain locations, including lakes, or restrict their use or manner of use in certain areas or during certain times. Additionally, there can be no assurance that the perceptions of the Resulting Issuer's customers will not change. Consumers' attitudes towards the Resulting Issuer's products and the activities in which they are used also affect demand. Any failure by the Resulting Issuer to maintain the social acceptability of its products could impact its ability to retain existing customers or attract new ones which, in turn, could have a material adverse effect on its business, results of operations or financial condition.

Unfavourable Weather Conditions

The sales of the Resulting Issuer's products may be affected by unfavourable weather conditions. Adverse weather conditions in any year in any particular geographic region may adversely affect sales in that region, especially during the peak boating season. Unseasonably cool weather, excessive rainfall, reduced rainfall levels, or drought conditions during peak boating season may close area boating locations or render boating dangerous or inconvenient, thereby generally reducing consumer demand. To the extent that unfavourable weather conditions are exacerbated by global climate change or otherwise, the Resulting Issuer's sales may be affected to a greater degree. This could have a material adverse effect on the Resulting Issuer's business, results of operations or financial condition.

Consumer Preference For Used Boats or the Supply of New Boats by Competitors in Excess of Demand

During the economic downturn that commenced in 2008, a shift in consumer demand toward purchasing more used boats occurred, primarily because prices for used boats are typically lower than retail prices for new boats. If this were to occur again (including as a result of the widespread outbreak of the COVID-19 virus (the "**COVID-19 Pandemic**")), it could have the effect of reducing demand among retail purchasers for new boats. Also, competitors could choose to reduce the price of their products, which could have the effect of reducing demand for the Resulting Issuer's new boats. Reduced demand for new boats could lead to reduced sales by the Resulting Issuer, which could adversely affect its business, results of operations, or financial condition.

Seasonal Nature of Business

The Resulting Issuer's results of operations could experience substantial fluctuations from quarter to quarter and year to year due to the seasonal variations in demand for boats. This seasonality in revenues, expenses and margins could materially adversely affect the Resulting Issuer's business, results of operations or financial condition.

Fines or Penalties Regarding Product Safety, Health, Environment and Noise Pollution

The Resulting Issuer is subject to federal, provincial/state and local/municipal laws, rules and regulations in Canada and the United States regarding product safety, health, environmental and noise pollution and other issues that could cause the Resulting Issuer to incur fines or penalties or increase the Resulting Issuer's capital or operating costs, all of which could have a material adverse effect on the Resulting Issuer's business, results of operations or financial condition. A failure to comply with, or compliance with, any such requirements or any new requirements could result in increased expenses to modify the Resulting Issuer's products, or harm to its reputation, which could have a material adverse effect on the Resulting Issuer's business, results of operations or financial condition. Certain jurisdictions require, or are considering requiring, a license to operate the Resulting Issuer's products. While such licensing requirements are not expected to be unduly restrictive, they may deter potential customers, thereby reducing the Resulting Issuer's sales. The Resulting Issuer's products are also subject to laws, rules and regulations imposing environmental, noise emission, zoning and permitting restrictions, which laws, rules and regulations are subject to change and may limit the locations where the Resulting Issuer's products may be sold or used or restrict their use during certain times or on certain conditions.

Competition with Other Activities

The Resulting Issuer's products are used for recreational purposes, and demand for the Resulting Issuer's products may be adversely affected by competition from other activities that occupy consumers' leisure time and by changes in consumer lifestyle, usage pattern, or taste. Similarly, an overall decrease in consumer leisure time may reduce consumers' willingness to purchase and enjoy the Resulting Issuer's products.

Increase in Fuel Prices

Higher fuel prices may have an adverse effect on demand for the Resulting Issuer's products, as they increase the cost of ownership and operation.

Environmental Regulations and Risks

The operations of LBCI, and soon-to-be the Resulting Issuer, are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's respective operations.

Government approvals and permits are currently, and may in the future, be required in connection with the Resulting Issuer's operations. To the extent such approvals are required and not obtained, the Resulting Issuer may be curtailed or prohibited from the continued production of the Resulting Issuer's products or from proceeding with any further development of its operations. Moreover, the Resulting Issuer may face greater regulatory or customer pressure to develop products that generate less emissions. This may require the Resulting Issuer to spend additional funds on research and development and implementation and subject the Resulting Issuer to the risk that the Resulting Issuer's competitors may respond to these pressures in a manner that gives them a competitive advantage. The development of such products may also present challenges in maintaining the look, sound and feel of the Resulting Issuer's products thereby reducing its competitive advantage. .

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Resulting Issuer may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Changes in Legal, Regulatory and Industry Standards

In all of LBCI's and the Resulting Issuer's markets, the design, manufacturing, labelling, handling, distribution, importation, exportation, licensing, sale and storage of its products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial or local levels in Canada and at all levels of government in the US. There is currently no uniform regulation applicable to marine products worldwide. There can be no assurance that LBCI is in compliance with all of these laws, regulations and other constraints. LBCI's failure to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact LBCI's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in significant compliance costs or lead LBCI to discontinue product sales and may have an adverse effect on the marketing of its products, resulting in significant loss of sales.

Governmental regulations in countries where LBCI operates or plans to operate may prevent or delay entry into those markets or require it to incur additional costs. In addition, LBCI's ability to sustain satisfactory levels of sales in its targeted markets is dependent in significant part on its ability to introduce additional products into such markets. However, governmental regulations in the existing markets, both domestic and international, can delay or prevent the introduction, or require the reformulation or withdrawal, of certain products. Further, such regulatory action, whether or not it results in a final determination adverse to LBCI, could create negative publicity, with detrimental effects on sales.

There has been an increasing movement in certain markets to increase the regulation of marine products which may impose additional restrictions or requirements. Although LBCI believes its products are prepared for these changes, such anticipated regulatory and standards changes may introduce some risk and harm LBCI's operations if its products or advertising activities are found to violate existing or new regulations or if it is not able to affect necessary changes to its products in a timely and efficient manner to respond to new regulations.

Competition

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have more financial resources, industry, manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

To remain competitive, the Resulting Issuer will require a continued level of investment in research and development, marketing, sales and distributor support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and distributor support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Operating Risk and Insurance Coverage

LBCI and the manufacturer of the products sold by LBCI have insurance to protect their assets, operations, and employees. While the Resulting Issuer believes the insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which it is exposed. However, the Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The Resulting Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Natural Disasters, Unusual Weather and Geo-Political Events

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events, such as civil unrest and acts of terrorism, or similar disruptions could impact the Resulting Issuer's supply chain and, thereby, its operations. In turn, such events could materially adversely affect the Resulting Issuer's business, results of operations or financial condition.

PART I: INFORMATION CONCERNING LL ONE

CORPORATE STRUCTURE

Name and Incorporation

The full name of the Corporation is "LL One Inc." The Corporation was incorporated under the OBCA on March 14, 2018 and is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The head and registered office of LL One is located at 3400 One First Canadian Place, Toronto, Ontario M5K 0A1.

GENERAL DEVELOPMENT OF THE BUSINESS

History

The Corporation was incorporated on March 14, 2018, with Alan Gertner as CEO and director. The following persons were subsequently appointed as directors and officers of the Corporation: Balram Vaswani as CFO and director, Aaron Sonshine as Corporate Secretary and director, Lennox Lewis as director, Bruce Linton as director, Russell Wilson as director and Joey Houssian as director. As a CPC, the Corporation has not commenced commercial operations and has no assets other than cash and prepaid expenses. The principal business of the Corporation is the identification and evaluation of assets or businesses with the objective to completing a Qualifying Transaction.

On August 8, 2019, the Corporation announced that it had completed its IPO of 4,200,000 LL One Common Shares for \$0.10 per LL One Common Share for gross proceeds of \$420,000.

LL One also granted Haywood Securities Inc., its agent on the IPO, an administrative fee, a cash commission equal to 10% of the gross proceeds of the IPO, and options entitling it to purchase up to 420,000 LL One Common Shares at an exercise price of \$0.10 per LL One Common Share for a 24-month period from the day the LL One Common Shares were listed on the Exchange.

On the same day, the Corporation granted options to acquire 1,215,000 LL One Common Shares at a price of \$0.10 per LL One Common Share to certain directors and officers of the Corporation, expiring in 5 years from the date of grant.

On August 8, 2019, the LL One Common Shares were listed for trading on the Exchange under the symbol "LLO.P".

On August 19, 2019, the Agent exercised 50,000 warrants at an exercise price of \$0.10 per share for gross proceeds of \$5,000. The value attributable to these warrants was \$2,635.

On October 9, 2020, LL One entered into a LOI with LBCI, pursuant to which LL One agreed, subject to certain conditions, to acquire all of the issued and outstanding securities of LBCI by way of a three-cornered amalgamation among LL One, Newco, and LBCI. The Transaction is intended to constitute LL One's Qualifying Transaction under the Exchange policies. Pursuant to the LOI, LL One advanced to LBCI a deposit in the amount of \$25,000, which is refundable upon termination of the Transaction other than a termination arising from a breach by LL One. On December 7, 2020 LL One advanced LBCI a further \$200,000 bridge loan (the "**Bridge Loan**") pending completion of the Transaction.

On November 13, 2020, LL One, LBCI and Newco entered into the Acquisition Agreement in order to effect the Transaction.

On December 15, 2020 the Corporation held the Meeting in order to approve the Name Change in connection with the Transaction.

THE QUALIFYING TRANSACTION

LL One proposes to acquire from the LBCI Shareholders all of the issued and outstanding LBCI Shares pursuant to the Acquisition Agreement (which, for greater certainty, includes the LBCI Class A Common Shares and Subscription Receipts converted to LBCI Common Shares in connection with the Transaction), and concurrently with or immediately prior to the Transaction, shall complete the Name Change.

Acquisition Agreement

On October 9, 2020, LL One entered into a LOI with respect to the Qualifying Transaction.

On November 13, 2020, LL One, LBCI and Newco entered into the Acquisition Agreement and agreed to enter into the Amalgamation Agreement upon receipt of all required approvals. Pursuant to the Amalgamation Agreement and subject to the fulfillment of certain conditions, LBCI and Newco agreed to amalgamate and continue as one corporation, being Amalco. Moreover, pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, LL One agreed to acquire each of the issued and outstanding LBCI Shares in consideration for the issuance of 50 LL One Common Shares, resulting in the issuance of an aggregate total of 85,727,350 LL One Common Shares, being the Resulting Issuer Common Shares, at a deemed issue price per share of \$0.16, for each LBCI Share held by each former LBCI Shareholder.

Following the completion of the Transaction: (a) Amalco will become a wholly-owned subsidiary of LL One, and the business of the combined entity after giving effect to the Transaction will be the business of LBCI; (b) original shareholders of LL One will hold an aggregate of 12,200,000 Resulting Issuer Common Shares, representing approximately 12.46% of the then issued and outstanding Resulting Issuer Common Shares; (c) Scott Hanson, Cynthia Hayhurst, Telfer Hanson, Madeline Hanson, the Telfer Hanson (2017) Family Trust, RKH Limited, and Taylor Hanson collectively will hold in the aggregate, 43,819,850 Resulting Issuer Common Shares, or 44.75% of the outstanding Resulting Issuer Common Shares after giving effect to the Transaction based on a total of 97,927,350 Resulting Issuer Common Shares issued and outstanding upon the completion of the Transaction and (d) former holders of LBCI Class A Common Shares (excluding those registered to RKH Limited) will hold an aggregate of 12,500,000 Resulting Issuer Common Shares, representing approximately 12.76% of the then issued and outstanding Resulting Issuer Common Shares, and (e) in connection with the issuance of Subscription Receipts, former holders of Subscription Receipts will hold an aggregate of 14,407,500 Resulting Issuer Common Shares, representing approximately 14.71% of the then issued and outstanding Resulting Issuer Common Shares.

The following is a summary of certain provisions of the Acquisition Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, provisions of the Acquisition Agreement, which can be found on SEDAR at www.sedar.com under LL One's profile and is incorporated by reference herein. All terms defined in this section but not otherwise defined herein shall be attributed their respective meanings as set out in the Acquisition Agreement.

Mutual Conditions

The respective obligations of each of LL One, Newco and LBCI to complete the Transaction are subject to the fulfillment of each of the following conditions precedent, unless waived in writing by LL One, LBCI, or Newco:

- (a) On the Closing Date, there shall have been obtained the written consents or approvals, in form and substance satisfactory to each of LL One, Newco and LBCI, acting reasonably, of any governmental or regulatory agency or Persons whose consent, waivers, forbearance or other approval to the transactions contemplated hereby is required (including pursuant to any contract), and all conditions imposed upon such consents, waivers, forbearance or other approvals shall have been satisfied, including without limitation, the Exchange;
- (b) The LL One Common Shares issuable in connection with the Amalgamation, including but not limited to:

- (i) the LL One Common Shares to be issued in exchange for LBCI Shares; and
- (ii) the LL One Common Shares issuable on exercise of the LL One Exchange Options and LL One Exchange Warrants,

shall have been conditionally approved for listing by the Exchange, subject to fulfilment of the Exchange's conditions, including the usual and ordinary listing requirements;

- (c) On the Closing Date, no prohibition under any applicable laws against the completion of the Transaction or any of the transactions contemplated by the Acquisition Agreement are to be in existence.
- (d) Closing Date is to occur on or prior to March 15, 2021, or such later date as may be agreed in writing by LL One and LBCI.
- (e) Any Person who will be a holder of a Resulting Issuer Common Share (each, a "**Resulting Issuer Shareholder**") and is required by the Exchange to sign an escrow agreement in accordance with the policies of the Exchange shall have signed and delivered such agreement;
- (f) The Exchange to have received a Sponsorship Acknowledgement Form (as defined in the Exchange Policies), and the accompanying documents as may be required by the TSX-V Policy 2.2 - *Sponsorship and Sponsorship Requirements*, or the sponsorship requirement shall have been waived by the Exchange or satisfied by other means acceptable to the Exchange.
- (g) At a special meeting of the LBCI Shareholders to be convened as soon as is reasonably practicable following the execution of the Acquisition Agreement, the LBCI Shareholders must approve the following:
 - (i) the Amalgamation; and
 - (ii) such other matters as may be agreed to in writing by LL One, Newco and LBCI from time to time.

Conditions Precedent in favour of LL One

The obligation of LL One to complete the Transaction is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by LL One (where capable of being waived):

- (a) On the Closing Date, LBCI shall have executed, delivered and performed all covenants on its part to be performed under the Acquisition Agreement and all representations and warranties contained in the applicable sections of the Acquisition Agreement to be true and correct at Closing, unless they specifically relate to an earlier date, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of LBCI to have been delivered to LL One as of the Closing;
- (b) On the Closing Date, there will have been no material change or change in a material fact or a new material fact or an undisclosed material fact or material change in respect of LBCI which might reasonably be expected to have a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations, business, affairs or prospects of LBCI;
- (c) On the Closing Date, all necessary steps and corporate proceedings to have been taken by LBCI, their respective board of directors and securityholders (as applicable) to permit the transactions contemplated by the Acquisition Agreement;

- (d) LBCI shall have executed and delivered to LL One all documents as LL One may reasonably request for the purposes of completing the Transaction in accordance with the terms of the Acquisition Agreement, including the delivery of the LBCI Financial Statements; and
- (e) LBCI shall have completed a Private Placement for gross proceeds of at least \$2 million or such other amount as prescribed by the Exchange.

If any such conditions is not be fulfilled or waived in writing by LL One at or prior to the Closing Date, LL One may rescind the Acquisition Agreement by written notice to LBCI and, in such event, LL One and LBCI shall be released from all obligations thereunder.

Conditions Precedent in favour of LBCI

The obligations of LBCI to complete the Transaction is subject to the fulfillment of the following conditions precedent unless waived in writing by LBCI (where capable of being waived):

- (a) On the Closing Date, LL One shall have executed, delivered and performed all covenants on its part to be performed under the Acquisition Agreement and all representations and warranties are to be true and correct at Closing, unless they specifically relate to an earlier date, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of LL One to have been delivered to LBCI as of the Closing.
- (b) On the Closing Date, there will have been no material change or change in a material fact or a new material fact or an undisclosed material fact or material change in respect of LLO which might reasonably be expected to have a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations, business, affairs or prospects of LLO.
- (c) On the Closing Date, all necessary steps and corporate proceedings, as approved by LBCI must have been taken by LL One, the LL One Board and the LL One Shareholders (as applicable) to permit the transactions contemplated by the Acquisition Agreement.
- (d) LL One and Newco shall have executed and delivered to LBCI all documents as LBCI may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement;
- (e) LL One shall have filed articles of amendments implementing the Name Change;
- (f) LL One shall have delivered resignation and mutual releases by all current officers and directors, excluding Alan Gertner of LL One to take effect on Closing, which resignations shall be staged in such a manner that new directors as directed by LBCI can be appointed by the remaining board members to fill each vacancy and the board members of LL One shall have signed such resolutions as may be necessary to give effect to this reorganization of the LL One board of directors on Closing with the result that the board of directors of the Resulting Issuer post-closing will be as follows:

Name	Position
Telfer Hanson	Proposed Chairman and Director
Scott Hanson	Proposed CEO and Director
Alan Gertner	Proposed Director
Charles Pennock	Proposed Director
Charmaine Crooks.....	Proposed Director
Bryan Pearson.....	Proposed Director
Donald Page.....	Proposed CFO
Taylor Hanson	Proposed COO

If any such condition is not fulfilled or waived in writing by LBCI at or prior to the Closing Date, LBCI may rescind the Acquisition Agreement by written notice to LL One and, in such event, LL One and LBCI shall be released from all obligations thereunder.

Representations and Warranties

The Acquisition Agreement contains a number of customary representations and warranties of each of the parties relating to, among other things, corporate status, the corporate authorization and enforceability of, and board approval of the Acquisition Agreement and the Transaction, and the business and affairs of LL One and LBCI.

Conduct of Business – LBCI

- (a) Up to the Closing Date, LBCI shall (1) carry on the Business in the normal and ordinary course; (2) preserve the ongoing goodwill of LBCI; and (3) ensure that key employees, if any, and key independent contractors continue their association with LBCI and LBCI undertakes to notify LL One of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the LBCI Assets or the Business.
- (b) Unless otherwise contemplated herein or approved by LL One in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of the Acquisition Agreement, LBCI shall not:
 - (i) except in the ordinary course of business, or in connection with the Debt Financing, sell, transfer or dispose of or create any mortgage, pledge, waiver or other encumbrance or a security interest on or in respect of the whole or any part of the LBCI Assets;
 - (ii) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of LBCI, except for options granted to directors, officers, employees and consultants in the ordinary course of business pursuant to LBCI's stock option plan (such options to be exchanged for LL One Exchange Options pursuant to the terms of this Agreement);
 - (iii) change, amend or modify the charter documents or by-laws of LBCI, except in connection with the removal of certain private company restrictions as agreed to in writing by the parties hereto;
 - (iv) initiate, propose, assist or participate in any activities in opposition to or in competition with this Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or

- (v) do anything that would cause any of the representations and warranties of LBCI contained in this Agreement to be false or misleading.
- (c) LBCI shall provide to LL One upon request such information as may be necessary for LL One to include in the Filing Statement or to satisfy any other requirements of the Exchange or applicable securities laws.

Conduct of Business – LL One

- (a) Up to the Closing Date, LL One shall (1) carry on its business in the normal and ordinary course; (2) preserve the ongoing goodwill of LL One; and (3) ensure that key employees, if any, and key independent contractors continue their association with LL One and LLBCI undertakes to notify LL One of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the LL One Assets or the Business.
- (b) Unless otherwise contemplated herein or approved by LBCI in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of the Acquisition Agreement, LL One shall not:
 - (i) except in the ordinary course of business, sell, transfer or dispose of or create any mortgage, pledge, waiver or other encumbrance or a security interest on or in respect of the whole or any part of the LL One Assets;
 - (ii) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of LL One
 - (iii) change, amend or modify the constating documents or articles of LL One;
 - (iv) initiate, propose, assist or participate in any activities in opposition to or in competition with the Acquisition Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or
 - (v) do anything that would cause any of the representations and warranties of LL One contained in the Acquisition Agreement to be false or misleading.

Termination of the Acquisition Agreement

LL One and LBCI may terminate the Acquisition Agreement at any time prior to Closing upon the mutual written agreement of LL One and LBCI.

The Acquisition Agreement will terminate automatically with no further action from any party thereof if the Transaction is not closed by 5:00 pm (Toronto time) on March 15, 2021 or such later date as LL One and LBCI may agree upon in writing.

If, at any time prior to Closing, any representation and warranty, covenant or condition (which by its terms must be complied with or fulfilled at such time), made or given by LBCI in the Acquisition Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant or condition, is not being complied with or fulfilled in all material respects and if such representation and warranty, covenant or condition is not made true and correct or complied with or fulfilled in all material respects by action of LBCI within 20 days of LBCI in receiving notice to that effect from LL One, then LL One, at the expiry of such period, by giving notice to LBCI, may terminate the Acquisition Agreement and its obligations thereunder.

If, at any time prior to Closing, any representation and warranty, covenant or condition (which by its terms must be complied with or fulfilled at such time), made or given by LL One in the Acquisition Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant or condition, is not being complied with or fulfilled in all material respects and if such representation and warranty, covenant or condition is not made true and correct or complied with or fulfilled in all material respects by action of LL One within 20 days of LL One receiving notice to that effect from LBCI, then LBCI, at the expiry of such period, by giving notice to LL One, may terminate the Acquisition Agreement and its obligations thereunder.

Upon termination of the Acquisition Agreement, LBCI is obligated to return the \$200,000 Bridge Loan advanced by LL One pursuant to the terms and conditions of the promissory note dated December 7, 2020 between LL One, as lender, and LBCI, as borrower.

Reverse Takeover

The Transaction will constitute a Reverse Takeover of LL One. Generally, a Reverse Takeover transaction involves an issuer issuing securities from its treasury to purchase another entity or Significant Assets, where the owners of the other entity or assets acquire control of the issuer.

The Transaction was negotiated on an arm's-length basis and involves arm's-length parties and therefore is not a Non-Arm's Length Qualifying Transaction under the Exchange Policies.

Resale of Shares

The Resulting Issuer Common Shares to be issued to LBCI pursuant to the Transaction will be issued in reliance on exemptions from prospectus requirements of applicable securities laws of the various applicable provinces in Canada and will generally, subject to the discussion regarding applicable escrow and resale restrictions imposed by the Exchange (see "*Part III. Information Concerning the Resulting Issuer – Escrowed Securities*"), be "freely tradable" (and not subject to any "restricted period" or "hold period") if the following conditions are met: (i) the trade is not a control distribution (as defined in applicable securities legislation); (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a Person in respect of the trade; and (iv) if the selling security holder is an Insider or officer of the Resulting Issuer, the selling security holder has no reasonable grounds to believe that the Resulting Issuer is in default of securities legislation.

Fractional Shares

No fractional Resulting Issuer Common Shares will be issued to LBCI and no rights to acquire fractional Resulting Issuer Common Shares will be granted to such holder. No cash will be paid in lieu of fractional shares. Any such fractional Resulting Issuer Common Shares will be rounded down to the nearest whole number.

Name Change

Concurrent with the completion of the Transaction, the Resulting Issuer will complete all necessary steps to change its name from "LL One Inc." to "The Limestone Boat Company Limited."

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Information

The following financial information is taken from and should be read in conjunction with the unaudited interim financial statements for the three and nine months ended December 31, 2020 and 2019 and the audited financial statements of the Corporation for the financial years ended March 31, 2020 and 2019, which are together attached hereto as "*Appendix A – Financial Statements of LL One*". Any additional financial information of the Corporation since inception can be found on SEDAR at www.sedar.com under LL One's profile.

The Corporation incurred expenses, including professional fees, filing fees, and stock-based compensation expenses, during the financial year ended March 31, 2020 totaling \$177,490. Costs were incurred in seeking, evaluating and negotiating potential Qualifying Transactions and in meeting the disclosure obligations required for a reporting issuer listed for trading on the Exchange. No amounts have been deferred in connection with the Transaction.

Management's Discussion and Analysis of Operating Results

Please see the Corporation's MD&A for the nine months ended December 31, 2020 and MD&A for the financial year ended March 31, 2020, which are attached hereto as "*Appendix B – Management's Discussion and Analysis of LL One*". Any additional financial information of the Corporation since inception can be found on SEDAR at www.sedar.com under LL One's profile.

DESCRIPTION OF THE SECURITIES

LL One Common Shares

The Corporation is authorized to issue an unlimited number of LL One Common Shares without nominal or par value. As at the date of this Filing Statement, 12,200,000 LL One Common Shares are issued and outstanding as fully paid and non-assessable.

There are 1,215,000 LL One Common Shares reserved for issuance in connection with the options granted to certain directors and officers of LL One pursuant to the LL One Stock Option Plan, which entitle the holders thereof to purchase such reserved LL One Common Shares at a purchase price of \$0.10 per LL One Common Share for a period of 5 years from the associated options' date of issuance. In addition, 370,000 LL One Common Shares are reserved for issuance under the broker warrants granted to the agents on the IPO, which entitle the holders thereof to acquire the associated LL One Common Shares at a purchase price of \$0.10 per Commerce Common Share for a period of 2 years from the date of listing of the LL One Common Shares on the Exchange (the "**LL One Broker Warrants**").

Holders of LL One Common Shares are entitled to receive notice of and to vote at every meeting of LL One Shareholders and shall have one vote for each LL One Common Share held. In the event of liquidation, dissolution, or winding-up of the Corporation or upon any distribution of the assets of the Corporation among LL One Shareholders (other than by way of dividend), the LL One Shareholders are entitled to share equally in such distribution. The holders of LL One Common Shares are entitled to dividends if and when declared by the LL One Board. To date, the Corporation has not paid any dividends on its outstanding LL One Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

STOCK OPTION PLAN

The Corporation has a "rolling" stock option plan as described in the Prospectus dated July 5, 2019 (the "**LL One Stock Option Plan**"). Pursuant to the LL One Stock Option Plan, the LL One Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-assignable and non-transferable options to purchase LL One Common Shares, provided that the number of LL One Common Shares reserved for issuance do not exceed 10% of the Corporation's issued and outstanding share capital at any given time, with no mandatory vesting provisions. Such options will be exercisable for a period of up to 5 years from the date of grant.

Further details regarding the LL One Stock Option Plan are set forth below:

- (a) the number of LL One Common Shares reserved for issue to any one director or officer under the LL One Stock Option Plan may not exceed 5% of the issued and outstanding LL One Common Shares at the time of grant;

- (b) the number of LL One Common Shares reserved for issue to any one Insider within any 12-month period under the LL One Stock Option Plan may not exceed 10% of the issued and outstanding LL One Common Shares at the time of grant;
- (c) the number of LL One Common Shares reserved for issue to any consultant (as defined in the applicable TSX-V Policy) in any 12-month period under the LL One Stock Option Plan may not exceed 2% of the issued and outstanding LL One Common Shares at the time of grant;
- (d) options may be exercised within the greater of 12 months after the completion of a Qualifying Transaction and 90 days following cessation of an option-holder's position with the Corporation, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a maximum period of 12 months after such death, subject to the expiry date of such option; and
- (e) any LL One Common Shares acquired pursuant to the exercise of options prior to the completion of a Qualifying Transaction, must be deposited in escrow and will be subject to escrow until an associated final Exchange bulletin is issued.

As of the date of this Filing Statement, the Corporation has 1,215,000 options (the "**LL One Options**") outstanding under to the LL One Stock Option Plan. The LL One Options were issued on the completion of the IPO to directors and officers of LL One. The LL One Options are exercisable at \$0.10 per LL One Option and expire 5 years from the date of issue.

A copy of the LL One Stock Option Plan is available upon request from the Corporation and is also available under the Corporation's profile at www.sedar.com.

PRIOR SALES

As of the date of this Filing Statement, 12,200,000 LL One Common Shares have been issued and remain outstanding. The table below sets out the dates and prices at which LL One Common Shares have been sold since incorporation and the number of securities of the class sold at each price:

Date	Number of LL One Common Shares	Issue Price Per LL One Common Share	Aggregate Issue Price	Consideration Received
November 28, 2018	7,950,000 ⁽¹⁾	\$0.05	\$397,500	Cash
August 8, 2019.....	4,200,000	\$0.10	\$420,000	Cash
August 19, 2019.....	50,000 ⁽²⁾	\$0.10	\$5,000	Cash
Total.....	12,200,000		\$867,500	

Notes:

- (1) These LL One Common Shares were issued to a Non-Arm's Length Party to the Corporation prior to the completion of a Qualifying Transaction, thereby requiring that they be placed in escrow pursuant to an escrow agreement entered into by the Corporation, the LL One Shareholders and the associated escrow agent.
- (2) LL One Common Shares issued in connection with the exercise of LL One Broker Warrants.

STOCK EXCHANGE PRICE

LL One Common Shares are listed and posted for trading on the TSX-V under the symbol "LLO.P". The LL One Common Shares were first listed for trading on the Exchange on August 8, 2019. Trading of the LL One Common shares was halted on October 13, 2020 as a result of the announcement of the Transaction. The last trading price of the LL One

Common Shares on October 9, 2020, the trading day immediately preceding the trading halt, was \$0.125. The following table sets forth the high and low closing prices and volumes of the trading of the LL One Common Shares for the periods indicated, as reported by the Exchange.

Month	High Trading Price (\$)⁽³⁾	Low Trading Price (\$)	Monthly Volume (#)
June 2020 ⁽¹⁾	0.18	0.135	33,700
July 2020	0.195	0.14	45,205
August 2020	0.215	0.145	65,935
September 2020 ⁽²⁾	0.17	0.125	56,000

Notes:

- (1) Trading of the LL One Common Shares commenced on August 8, 2019.
- (2) Trading of the LL One Common Shares was voluntarily halted on October 13, 2020 in connection with the Transaction.

ARM'S LENGTH TRANSACTION

The proposed Transaction is a Qualifying Transaction and not a Non-Arm's Length Qualifying Transaction.

LEGAL PROCEEDINGS

There are no legal proceedings material to LL One to which it is a party or of which any of its property is the subject matter. LL One is not currently contemplating any material legal proceedings and LL One is not aware of any legal proceedings contemplated against it.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of LL One is MNP LLP, Chartered Professional Accountants, Licensed Public Accountants located at 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4.

The transfer agent and registrar of the LL One Common Shares is TSX Trust Company located at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

Except for the contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation, as of the date of this Filing Statement, which are in effect and considered to be material:

- (a) CPC Escrow Agreement;
- (b) LBCI Subscription Receipt Agreement;
- (c) Agency Agreement; and
- (d) Acquisition Agreement dated November 13, 2020 among LL One, LBCI and Newco, as amended.

Copies of the material contracts described above will be available for inspection at the registered office of the Corporation located at 3400 One First Canadian Place, Toronto, Ontario M5X 1A4 during ordinary business hours until the Closing Date and for a period of 30 days thereafter.

PART II: INFORMATION CONCERNING LBCI

CORPORATE STRUCTURE

Name and Incorporation

LBCI

The full name of LBCI is "The Limestone Boat Company Inc." LBCI was incorporated under the OBCA on January 14, 2020, under the name "2736905 Ontario Inc." The name was subsequently changed on September 11, 2020 to "The Limestone Boat Company Inc.".

The head and registered office of LBCI is located at 3450 Landmark Rd, Unit C, Burlington, Ontario L7M 1S8.

GENERAL DEVELOPMENT OF THE BUSINESS

History

LBCI was incorporated on January 14, 2020, with Telfer Hanson as Chairman and director, Scott Hanson as CEO and director, David Tawaststjerna as director and corporate secretary, Donald Page as CFO and Taylor Hanson as COO.

The Private Placement: Concurrent Equity Offering and Subscription Receipt Offering

On January 19, 2021 LBCI entered into a subscription agreement with Telfer Hanson (2017) Family Trust, an existing shareholder of LBCI, for the issuance of 115,625 LBCI Common Shares at a price of \$8.00 per LBCI Common Share for aggregate gross proceeds of \$925,000 (the "**Concurrent Equity Offering**").

On January 20, 2021, LBCI entered into an agency agreement with Beacon Securities Limited ("**Beacon**") and the Corporation, (the "**LBCI Private Placement Agency Agreement**") pursuant to which Beacon agreed to, among other things, act as exclusive agent for LBCI's proposal to complete a private placement financing on a "best-efforts basis" of a minimum of 125,000 and a maximum of 375,000 LBCI Subscription Receipts exclusive of an over-allotment option granted to Beacon, at a price of \$8.00 per LBCI Subscription Receipt for aggregate gross proceeds of up to \$3,450,000 (the "**LBCI Subscription Receipt Financing**").

On January 20, 2021, LBCI distributed an aggregate of 288,150 LBCI Subscription Receipts at a subscription price of \$8.00 per LBCI Subscription Receipt for aggregate gross proceeds of \$2,305,200 pursuant to the terms and condition of a subscription receipt agreement dated January 20, 2021 between LBCI, Beacon and TSX Trust Company, (the "**LBCI Subscription Receipt Agent**") (the "**LBCI Subscription Receipt Agreement**"). The LBCI Subscription Receipts issued under the LBCI Subscription Receipt Financing are convertible into LBCI Common Shares upon the closing of the Qualifying Transaction.

On the closing date of the LBCI Subscription Receipt Financing, the net proceeds of the LBCI Subscription Receipt Financing, less 50% of Beacon's commission fee and work fee with respect to the Private Placement (the "**Escrowed Funds**") were placed in escrow with the LBCI Subscription Receipt Agent pursuant to the terms of the LBCI Subscription Receipt Agreement pending satisfaction of the following escrow release conditions (collectively, the "**Escrow Release Conditions**"): (i) written confirmation from LBCI and LL One that all conditions to the completion of the Transaction have been satisfied or waived other than the release of the Escrowed Funds; (ii) the receipt of all shareholder and regulatory approvals required for the Transaction; (iii) the distribution of the LBCI Common Shares underlying the Subscription Receipts, and the Resulting Issuer Common Shares to be issued in exchange for the LBCI Common Shares pursuant to the Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws; (iv) the Resulting Issuer Common Shares being approved for listing on the Exchange and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; (v) such other release conditions requested by Beacon acting reasonably; and (vi) LL One and Beacon have delivered a release notice (the "**Escrow Release Notice**") to the LBCI Subscription Receipt Agent confirming that the Escrow Release Conditions have been satisfied.

In the event that the LBCI Subscription Receipt Agent does not receive the Escrow Release Notice prior to April 20, 2021, or if prior to such time, LBCI advises Beacon or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the LBCI Subscription Receipt Agent will return to holders of Subscription Receipts their respective pro rata portion of the Escrowed Funds along with accumulated interest thereon from the closing date. LBCI is responsible and liable to the holders of Subscription Receipts for any shortfall between the aggregate gross proceeds of the Subscription Receipt Financing and the Escrowed Funds.

In connection with the LBCI Subscription Receipt Financing, LBCI agreed to pay Beacon: (i) a commission equal to 7.0% of the proceeds generated from the LBCI Subscription Receipt Financing, (ii) a work fee equal to \$60,000, (iii) a non-cash fee equal 10.0% of the aggregate the Subscription Receipts issued from the LBCI Subscription Receipt Financing payable in the form of common share purchase warrants (the "**LBCI Broker Warrants**"), and (iv) 11,000 common share purchase warrants (the "**LBCI Work Warrants**" and collectively with the LBCI Broker Warrants, the "**LBCI Compensation Warrants**"). Each LBCI Compensation Warrant is exercisable for one Resulting Issuer Common Share at a price equal to \$0.16 for a period of 2 years from the date of closing of the Qualifying Transaction.

Marine Dealer Financing Arrangement with Northpoint Commercial Finance

On November 23, 2020, Northpoint Commercial Finance Canada Inc. and Northpoint Commercial Finance LLC (collectively, "**NCF**") entered into a series of agreements with LBCI through which the Company has been approved for a US\$7.5 million floor planning facility (the "**NCF Facility**") to support the sale of Limestone boats to the LBCI Dealers. NCF is a wholly owned subsidiary of Laurentian Bank. Seven days after receiving a sales invoice from the Company, NCF will remit funding for the full invoice amount. The NCF Facility will support sales in both Canada and the United States and is freely allocated between the two countries as required to support sales completed by LBCI. To support the NCF Facility, LBCI has executed a repurchase agreement with NCF. If a dealer defaults on their payments to NCF, the Company will be required to repurchase the associated boat(s) from NCF. In support of this repurchase agreement, the Company will be required to issue a standby letter of credit in an amount not less than \$500,000 to release 50% of the facility, with another \$500,000 being required to release the balance of the facility. The letter of credit for the first \$500,000 was issued on January 25, 2021. The letter of credit is issued as, and constitutes, security for all obligations of the Company to NCF. LBCI is taking steps, including robust credit screening of LBCI Dealers, to ensure that it only enters into relationships with financially strong boat dealers to limit the risk of an event of default requiring LBCI to repurchase a boat.

DESCRIPTION OF THE BUSINESS

General

Brand Overview

For over 35 years, Limestone has been a heritage brand primarily recognized in coastal New England and the great lakes region of Canada and the United States. The model designs were originally developed by renowned yacht designer Mark Ellis of Essex, Connecticut. Mr. Ellis' body of work includes an impressive number of highly successful power and sail designs for both series production and custom building. Ellis has been active for 45 years designing and developing the iconic Limestone powerboat brand, as well as many others, including well-known sailboat brands. In 2020, marine industry veteran Scott Hanson and his partners completed the acquisition of exclusive, global manufacturing and Limestone branding rights from Mark Ellis Design LLC. (See "*Part II. Information Relating to LBCI– Description of the Business– Intellectual Property*"). Mr. Hanson and his team have also engaged Mr. Ellis as a consultant to be involved with the evolution of existing designs and new model creations as they move the brand forward.

Intellectual Property

LBCI currently relies on a combination of trademark, copyright protection, trade secret laws, confidential procedures, and contractual provisions to protect their rights in their brand, products, and proprietary designs and knowhow.

LBCI licenses the right to use the "Limestone" trademark (TMA347-370) (the "**Licensed IP**") pursuant to the terms of a design fee license agreement, dated May 12, 2020, between LBCI and Mark Ellis Design, LLC (the "**Mark Ellis**").

Design Licensing Agreement"). Pursuant to the terms of the Mark Ellis Design Licensing Agreement, Mark Ellis Design, LLC ("**MED**") has granted LBCI an irrevocable, exclusive, global, royalty bearing license (the "**IP License**") to use the subject matter of the Licensed IP in connection with the design, construction, marketing, and sale of LBCI products and an exclusive right to sublicense such rights to certain sublicensees as required by LBCI in connection with the ordinary course of its business subject to certain terms and conditions contained within the Mark Ellis Design Licensing Agreement. As consideration for the IP License, LBCI has agreed to pay to MED monthly design fees calculated as a percentage of LBCI's net invoice revenue on LBCI boat products that bear the Licensed IP. The term of the IP License shall last from May 12, 2020 for a fixed term of 20 years with automatically renewing successive 20-year terms unless LBCI provides written notice of its intention to not renew the term of the IP License.

A copy of the Mark Ellis Design Licensing Agreement is available upon request from the Corporation and is also available under the Corporation's profile at www.sedar.com.

Manufacturing and Warranty

All of the LBCI boats are manufactured by Ebbtide Holdings, LLC ("**Ebbtide**") in its White Bluff, Tennessee facility pursuant to the terms of a contract boat building agreement, dated September 3, 2020, between LBCI and Ebbtide (the "**Ebbtide Agreement**"). Ebbtide will manufacture Limestone boats based on strict adherence to the specifications and Quality Assurance Accountability Standards (QAAS) established by LBCI from time to time. All LBCI boats will be inspected and approved by a LBCI employee prior to payments and release.

LBCI provides a limited warranty to the original retail purchaser of a LBCI boat, subject to the terms and conditions set out therein (the "**LBCI Limited Warranty**"). The LBCI Limited Warranty warrants that certain components of each new LBCI boat will be free from material defects in materials and workmanship, under normal use and when operated, maintained, and stored in accordance with LBCI written instructions, to the extent and for the time period set out therein. In order to validate the LBCI Limited Warranty, the first retail purchaser must register the LBCI boat within thirty days of the original retail purchase date. To maintain warranty service in the case of a warranty claim, the owner must return (within the applicable warranty period) the LBCI boat or affected component part to an authorized LBCI dealer service department within five days of discovery and make it available for inspection and repairs at that time. Upon the first sale or other transfer of the boat by the original retail purchaser, any unexpired limited warranty coverage is transferrable to the second owner and remains in effect for the remainder of the applicable warranty periods, provided delivery of the warranty transfer card and payment of the applicable warranty transfer fee are satisfied.

Dealer Network

LBCI relies on its network of independent LBCI Dealers to sell its products throughout North America. LBCI currently has four LBCI Dealers in Canada and four LBCI Dealers throughout the United States of America representing 18 total marinas. Each LBCI Dealer has entered into a non-exclusive dealer agreement with LBCI (a "**Dealer Agreement**") with consistent terms and conditions. The Dealer Agreement sets out the terms and conditions pursuant to which LBCI Dealers acquire boats from LBCI and sells LBCI boats to consumers. Each Dealer Agreement establishes performance criteria that the LBCI Dealers must meet as part of their Dealer Agreement to ensure the continued quality of our LBCI Dealer network. LBCI consistently reviews its Dealer network to identify opportunities to expand our geographic footprint and to improve our coverage of the market.

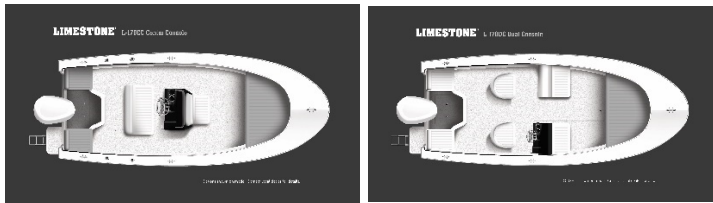
Principal Products or Services

Development of Products

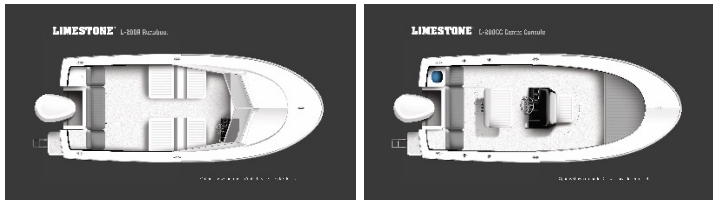
Shifting consumer trends, supported by lifestyle changes resulting from the impact of the COVID-19 Pandemic has had a positive impact on the demand for marine products worldwide. There has been a steady increase in new boater registrations in the US since April of 2020, with a 44.3% increase in July year-over-year according to the Statistical Surveys Inc. The boating lifestyle has shifted over the last decade from utility to comfort and LBCI has undertaken a considerable redesign of the Limestone line of boats, moving to outboard power and upgrading the furniture and technology offerings in the boats. LBCI has undertaken extensive research to modify the Limestone product offerings to

meet the demands of today's consumer. Under the design leadership of Scott Hanson, with the support of Mark Ellis, the following illustrate the advancements in the Limestone lineup of products:

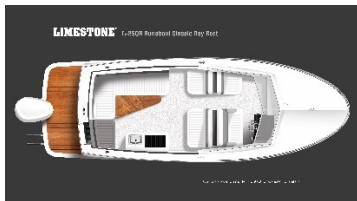
L170CC and DC



L200R and CC



L250R



L270 Cuddy



L290 Cuddy



L270 & 290DC



LBCI's product development strategies are based on solid research and development, backed up by decades of the team's design experience. It is expected that LBCI will expand its product families with complementary product lines such as dual console models in the 2021 model year. The Limestone brand is iconic in the Great Lakes and North East of the United States, and the support from the distributor community demonstrates that the 35 year history of Limestone warrants the upgrade in design.

Marketing

LBCI's marketing efforts are focused on the development and consistent marketing of the Limestone brand in select markets in line with the LBCI's expanding geographical dealer representation. It will underwrite marketing and advertising programs, as well as offer co-operative participation opportunities to the LBCI Dealers in support of the brand across select digital media channels, in store, and through public relations activities. One of LBCI's primary means of marketing its boats is by way of boat shows. The COVID-19 Pandemic has resulted in the postponement of most boat shows in North America for the 2020 year and the industry is preparing for the possibility of virtual boat shows only for the majority of the 2021 year. The marketing efforts to date in 2020 has resulted in 72 firm boat orders as at November 30, 2020 from eight confirmed LBCI Dealers representing eighteen locations. LBCI has also received expressions of intent to order from an additional 9 LBCI Dealers in Canada and the US representing up to an additional 54 units putting LBCI's initial total boat order book at 126. The LBCI sales team feels confident that LBCI will be able to deliver on its 2021 projected sales. LBCI is working with Ebbtide to expand production capacity to meet this expected increase in demand. It is expected that LBCI will continue to focus its efforts principally on sales and distribution initiatives in Canada and the United States.

Regulatory Environment

LBCI is subject to the laws and regulations governing the marine industry in the United States and Canada. In the United States this includes the US Coast Guard and The American Boat and Yacht Counsel. In Canada, LBCI's principal regulator is Transport Canada. LBCI's manufacturing partners work in the continental United States, and are accordingly subject to federal and state legislation regarding labour and employment matters, consumer protection regulations, and environmental law. LBCI continuously monitors changes in these laws, regulations, treaties and agreements to ensure regulatory compliance.

See *"Summary of Filing Statement – Risk Factors – Risks Relating to the Marine Industry – Changes in Legal, Regulatory and Industry Standards."*

Dropshipping

LBCI currently operates its business using a supply-chain management system known as "dropshipping" whereby LBCI facilitates the delivery of the goods from a third-party manufacturer to a third-party distributor, who then deliver to the end-point consumer. The initial orders are placed by the LBCI Dealers, who have entered into Dealer Agreements with LBCI. LBCI does not take physical possession of the goods in its inventory at any point during the ordering or delivery process. Due to this method of operation, LBCI's material tangible assets consist primarily of cash and accounts receivable. While LBCI does not take possession of its inventory, it is aware at all times of the finished and unfinished product throughout its supplychain.

Specialized Skills and Knowledge; Employees

Successfully applying LBCI's supply-chain management system requires specialized skill. LBCI has retained personnel with specialized knowledge and experience in such operations. LBCI draws on the specialized knowledge and expertise of its personnel in its operations to effectively coordinate design changes, new product development and track its supply chain.

See *"Risk Factors – Risks Relating to the Resulting Issuer – Reliance on Management"*.

LBCI had 6 full time employees, and has outsourced its accounting and controller services to a national accounting firm, as at December 31, 2020.

Operations

All sales of LBCI products occur in the United States and Canada and all of LBCI's senior management reside in Canada.

Other Developments in the Business

Growing our Brand Portfolio and Distribution

Since the acquisition of the global manufacturing rights for the Limestone brand, LBCI has undertaken the redesign and launch of the entire Limestone line of boats, including new design, molds and tooling for two dual console designs.

LBCI intends to launch a minimum of one new design in each model year, expanding and upgrading the iconic line of boats. Initial focus of distribution is in the Great Lakes and North Eastern United States. As LBCI bring the dual console designs to market, they will bring on additional distributors in the South East and Southern United States.

LBCI continues to evaluate the acquisition of other boating brands to add to the Limestone portfolio.

Market & Trends

The marine industry in the United States and Canada, as well as the rest of the world, is subject to shifting trends, spending patterns and economic cycles. LBCI's revenue and financial results are influenced by these trends. The marine industry enjoyed an 8% year to date growth in new powerboat sales as at August 31 2020 on a seasonally-adjusted basis compared to a year ago according to the National Marine Manufacturing Association in the United States. Further, the impact of the COVID-19 Pandemic has had a positive impact on the industry, with Brunswick, reporting in its Q3 2020 notes that more than half of all its boat sales in the period were first time buyers and returning lapsed boaters. The average age of boat buyers were the youngest since 2011. This is encouraging for the future health of the marine industry and, specifically, new boat sales. Social distancing has brought new boaters to the water, which trend we do not expect to change in the coming years. Together, these trends create a favorable environment for LBCI. These positive influences can be curtailed somewhat by conditions beyond LBCI's control because consumer spending is easily influenced by prevailing economic conditions, unemployment levels, wage variances, fuel prices, consumer credit practices and consumer perceptions. See "*Cautionary Statements Regarding Forward-Looking Information*" and "*Risk Factors*".

Recent market statistics:

- As of September 2020, The United States Marine Industry is growing at a rate of 9% year to date.
- There were a total of 57,000 outboard fiberglass boats sold in the United States in 2019
- There were approximately 37,500 boats in the outboard fiberglass, 20 – 26 foot category sold in the United States during 2019.
- There is also a strong trend to outboard power as evidence in the following two charts from the National Marine Manufacturing Associations 2019 Annual Statistical Abstract on the US Market.
- The global Outboard Engine market is expected to grow at a CAGR of 9.6% during 2021-26.

CHART 1a Outboard boats: retail unit sales and value

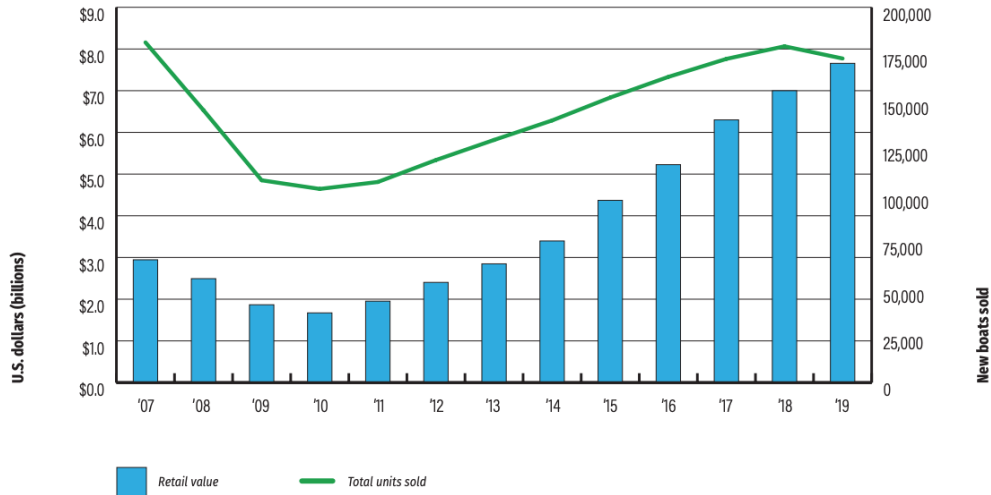
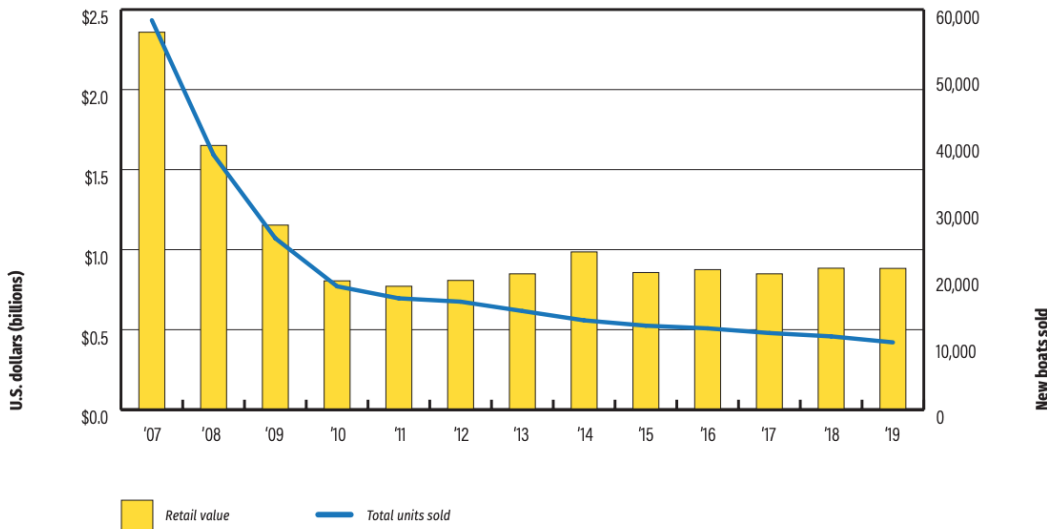


CHART 1f Sterndrive boats: retail unit sales and value



There has also been an industry shift in the size of powerboats. According to the National Marine Manufacturers Association, 95% of registered boats in the United States remain "small, towable boats under 26 foot in length." When looking at sales of boats under 26 feet, consumers tend to prefer boats of 21 feet or larger. This is most apparent in the dominant fiberglass outboard segment, where boats of 21 feet or more represented 57.8% of the retail market share in 2019. This market share is up 18% since 2011. In summary, powerboat sales in the 21 to 26 foot category have seen consistent growth in recent years, while alternative length category sales have either remained consistent or declined.

Competitive Conditions

The market for boats in LBCI's market segment is large and highly competitive. There were an estimated 37,500 boats sold in the fiberglass 20 to 26 foot category in 2019 in the United States alone. There is also significant competition within this market. The Limestone brand is recognized as a high quality product that handles extremely well in "big water". That reputation has led to LBCI experiencing strong dealer demand, initial boat orders, pending orders and intended dealer re-orders in excess of 2021 projections.

The following is a summary of LBCI's pricing model relative to some of its key competitors:

2021 MSRP Pricing US\$¹

	L-200 Runabout/ Center Console (200HP)	L-250 Runabout (300HP)	L-270 Cuddy Cabin (Twin 150HP)	L-270 Dual Console (Twin 200HP)	L-290 Cuddy Cabin (Twin 200HP)	L-290 Dual Console (Twin 250HP)
Limestone® Pricing (US\$)	\$ 94,105	\$ 164,057	\$ 204,447	\$ 212,315	\$ 262,256	\$ 273,283
Avg. Comps. (US\$) <small>*Published pricing</small>	\$ 97,016	\$ 169,131	\$ 218,881	\$ 218,881	\$ 281,735	\$ 281,735

We believe LBCI is well-positioned to capitalize on favorable long-term trends in the marine consumer products segment.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Information

Selected Financial Information

The following table sets forth selected consolidated financial information for LBCI for which financial statements are included in this Filing Statement.

The following financial information should be read in conjunction the audited consolidated financial statements of LBCI for the year ended December 31, 2020, which are together attached hereto as "*Appendix C – Audited Interim Consolidated Financial Statements of LBCI*".

Summary Financial Information

	Period from Incorporation (January 14, 2020) to December 31, 2020
Revenue	\$nil
Net Comprehensive Loss	\$1,647,658
Total Assets	\$1,223,288
Total Equity	\$218,657

Management's Discussion and Analysis

The following financial information should be read in conjunction with the MD&A accompanying the LBCI Financial Statements, which are attached hereto as "*Appendix D – Management's Discussion & Analysis of LBCI*".

¹ The following table does not exhaustively represent all of LBCI's boat offerings. Average competition pricing is based on a composite average of comparable boat offerings by reasonable market competitors including Boston Whaler, Grady-White, Scout, Chris Craft, Hunt, Rossiter, and Vanquish.

DESCRIPTION OF SECURITIES

The authorized capital of LBCI consists of an unlimited number of LBCI Common Shares and an unlimited number of LBCI Class A Common Shares, of which, at the date of this Filing Statement, 1,115,625 LBCI Common Shares and 310,772 LBCI Class A Common Shares are issued and outstanding as fully paid and non-assessable. There are also 288,150 LBCI Subscription Receipts issued and outstanding.

LBCI Common Shares

Holders of LBCI Common Shares are entitled to receive notice of and to vote at every meeting of LBCI Shareholders and shall have one vote for each LBCI Common Share held. In the event of liquidation, dissolution, or winding-up of the Corporation or upon any distribution of the assets of the Corporation among LBCI Shareholders (other than by way of dividend), the LBCI Shareholders are entitled to share equally in such distribution. The holders of LBCI Common Shares are entitled to dividends if and when declared by the LBCI Board. To date, LBCI has not paid any dividends on its outstanding LBCI Common Shares. The future payment of dividends will be dependent upon the financial requirements of LBCI to fund further growth, financial condition of LBCI and other factors which the board of directors of LBCI may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

LBCI Class A Common Shares

The holders of LBCI Class A Common Shares are entitled to preferred dividends, if and as when, declared by the LBCI Board and to one vote per LBCI Class A Common Share at meetings of the shareholders of LBCI and, upon liquidation, to have a priority share in such assets of LBCI as are distributable to the holders of LBCI, shall automatically convert into LBCI Common Shares on a ratio of 1:1 upon the completion of (i) any change of control, arrangement, reorganization, merger or other transaction or series of transactions as a result of which the holders of voting shares of the Corporation immediately prior to such transaction or series of transactions do not own a majority of the voting shares of the Corporation (or any surviving corporation) outstanding immediately following such transactions or series of transactions; or (ii) the completion of a Public Financing and are subject to Drag-along and Tag-along provisions in certain circumstances.

Subscription Receipts

Pursuant to the LBCI Private Placement Agency Agreement, Beacon agreed to complete a private placement financing on a "best-efforts basis" of a minimum of 125,000 and a maximum of 375,000 LBCI Subscription Receipts exclusive of an over-allotment option granted to Beacon, at a price of \$8.00 per LBCI Subscription Receipt. Each LBCI Subscription Receipt will convert into one LBCI Common Share immediately prior to closing of the Transaction.

If the Agent has not received a notice from LBCI that all the conditions precedent to the release of the escrowed proceeds have been satisfied or waived to the satisfaction of LL One, LBCI and the Agent by such time as is determined by LL One, LBCI and the Agent, LBCI will be deemed to have repurchased all of the Subscription Receipts at an aggregate price equal to the issue price of the Subscription Receipts, which amount will be returned to the respective subscribers, together with their pro rata entitlement to any interest earned on the escrowed funds.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of LBCI before giving effect to the Transaction:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of December 31, 2020	Amount Outstanding as of January 31, 2021
LBCI Common Shares	Unlimited	1,000,000	1,115,625
LBCI Class A Common Shares ⁽¹⁾	Unlimited	310,722	310,772
LBCI Subscription Receipts ⁽²⁾	450,000	0	288,150

Notes:

- (1) Each LBCI Class A Common Share will convert into one LBCI Common Share immediately prior to closing of the Transaction.
- (2) Each LBCI Subscription Receipt will convert into one LBCI Common Share immediately prior to closing of the Transaction.

PRIOR SALES

Date	Class of Security	Number of Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
January 14, 2020	Common Shares	1,000,000	<\$0.01	\$10	Cash
September 14, 2020	Class A Common Shares	60,772	US\$4.00	US\$243,088 ⁽¹⁾	Settlement of Debt
September 14, 2020	Class A Common Shares	100,000	US\$4.00	US\$400,000 ⁽²⁾	Cash
October 5, 2020	Class A Common Shares	150,000	US\$4.00	US\$600,000 ⁽³⁾	Cash
January 19, 2021	Common Shares	115,625	\$8.00	\$925,000	Cash
January 20, 2021	Subscription Receipts	288,150	\$8.00	\$2,305,200	Cash

Notes:

- (1) Equal to \$326,568 based on USD/CAD exchange rate of approximately 1.343.
- (2) Equal to \$532,588 based on USD/CAD exchange rate of approximately 1.331.
- (3) Equal to \$797,298 based on USD/CAD exchange rate of approximately 1.329.

STOCK EXCHANGE PRICE

None of the LBCI Shares are listed or traded on any exchange or quotation service.

EXECUTIVE COMPENSATION**Compensation Discussion and Analysis**

Except as disclosed below, LBCI does not directly compensate its executives for their services. We expect that the Resulting Issuer will establish a compensation committee to make compensation decisions.

Compensation Governance

LBCI has established a compensation committee that makes decisions on the suitability of the company's compensation policies and practices. LBCI has not retained a compensation consultant or advisor at any time since its most recently completed financial year to assist its board of directors in determining compensation for any of the company's directors or executive officers.

Summary Compensation Table

The following table contains information about the compensation for Scott Hanson, CEO and director of LBCI, Donald Page CFO of LBCI, and Taylor Hanson COO of LBCI, the Named Executive Officers of LBCI relating to the period of time between incorporation (January 14, 2020) and December 31, 2020.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Scott Hanson, CEO	2020	\$211,351	nil	nil	nil	nil	nil	\$15,305	\$226,656
Donald Page, CFO	2020	\$102,027	nil	nil	nil	nil	nil	\$5,405	\$107,432
Taylor Hanson, COO	2020	\$122,568	nil	nil	nil	nil	nil	\$15,305	\$137,873

Note:

(1) Represents amounts paid in respect of car allowances.

Outstanding Option-Based and Share-Based Awards

LBCI has granted 40,000 LBCI Options to certain directors and consultants, with an exercise price of \$8.00 per share. The options have a term of five years and vested on grant.

LBCI Options are exercisable for one LBCI Common Share and the exercise price of the option must equal the market price of the underlying share at the grant date. The issued options vested on grant. Once vested, options are exercisable at any time until expiry.

Incentive Plan Awards

LBCI does not have an incentive plan as part of its executive compensation program. The Resulting Issuer will adopt the LLO Option Plan.

Termination and Change of Control Benefits

Effective as of August 1, 2020, LBCI entered into an employment agreement with Scott Hanson (the "**Hanson Agreement**"). In the event that LBCI terminates the Hanson Agreement at any time and for any reason prior to the expiry of the term of the Hanson Agreement, Mr. Hanson is entitled to twelve months' notice for the first two years and a payment equal to the average of the last twelve months' remuneration. After two years, the notice period shall increase to eighteen months and the one-time lump sum payment shall be equal to the average of the last 18 month's remuneration.

Effective as of August 1, 2020, LBCI entered into an employment agreement with Donald Page (the "**Page Agreement**"). In the event that LBCI terminates the Page Agreement at any time and for any reason prior to the expiry of the term of the Page Agreement, Mr. Page is entitled to six months' notice for the first two years and a payment equal to the average of the last six months' salary. After two years the notice period shall increase to one year and the one-time lump sum payment shall be equal to the average of the last 12 month's remuneration.

Effective as of August 1, 2020, LBCI entered into an employment agreement with Taylor Hanson (the "**Taylor Hanson Agreement**"). In the event that LBCI terminates the Taylor Hanson Agreement at any time and for any reason prior to the expiry of the term of the Taylor Hanson Agreement, Mr. Taylor Hanson is entitled to six months' notice for the first two years and a payment equal to the average of the last six months' salary. After two years the notice period shall increase to one year and the one-time lump sum payment shall be equal to the average of the last 12 month's remuneration.

DIRECTOR COMPENSATION

The board of LBCI consists of Telfer Hanson, Scott Hanson, Charmaine Crooks, Charles Pennock and Bryan Pearson. None of the directors receive any compensation for serving in such capacity.

Outstanding Option-Based and Share-Based Awards

LBCI allows directors to participate in its incentive stock option plan. LBCI has issued a total of 30,000 LBCI Options to independent directors. Each of Charmaine Crooks, Charles Pennock and Bryan Pearson were awarded 10,000 LBCI Options. Additionally, on October 12, 2020, 10,000 LBC stock options were granted and issued to a consultant of LBCI.

Additional Incentive Plan Awards

LBCI does not have any additional incentive plans as part of its director compensation program.

NON-ARM'S LENGTH PARTY TRANSACTIONS

Other than as disclosed in this Filing Statement and in the Financial Statements attached hereto, LBCI has not entered into any transaction or proposed transaction involving a Non-Arm's Length Party from the date of its incorporation to the date of this Filing Statement.

RKH Limited, an entity controlled by Telfer Hanson, incurred costs totaling \$334,374 on behalf of LBCI. These costs included salaries, wages and short-term benefits for key management personnel, as well as rent, travel expenses, utilities, yacht design fees, prepaid design fees, advertising expenses, and office expenses. As compensation for \$326,568 of these costs, RKH Limited received 60,772 LBCI Class A Common Shares. LBCI also made lease payments in the amount of \$5,974 and reimbursed office expenses of \$1,000 to a company controlled by a LBCI Shareholder.

LEGAL PROCEEDINGS

There are no legal proceedings material to LBCI or any of its subsidiaries to which LBCI or any of its subsidiaries are party to or of which any of their respective property is the subject matter, and there are no such proceedings known to LBCI to be contemplated.

MATERIAL CONTRACTS

Except for the contracts made in the ordinary course of business, the following are the only material contracts entered into by LBCI, as of the date of this Filing Statement, which are in effect and considered to be material:

- a) Mark Ellis Design Licensing Agreement;
- b) Ebbside Agreement;
- c) Acquisition Agreement;
- d) LBCI Subscription Receipt;
- e) Agency Agreement;
- f) LBCI Subscription Receipt Agreement; and
- g) LL One Promissory Note.

Copies of the material contracts described above will be available for inspection at the head office of LBCI located at 3450 Landmark Rd, Unit C, Burlington, Ontario L7M 1S8 during ordinary business hours until the Closing Date and for a period of 30 days thereafter.

PART III: INFORMATION CONCERNING THE RESULTING ISSUER

CORPORATE STRUCTURE

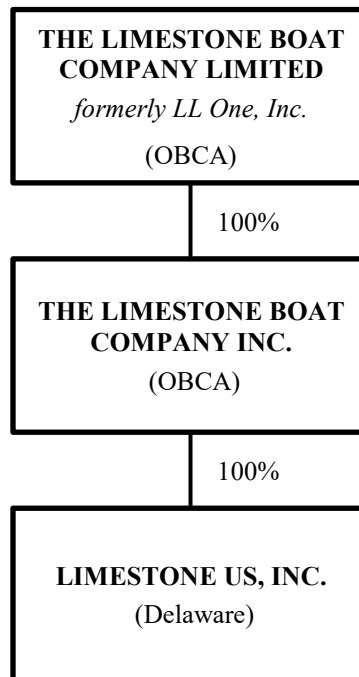
Name and Incorporation

Following completion of the Transaction, the Resulting Issuer will be named "The Limestone Boat Company Limited" or such other name as the board of directors of the Resulting Issuer and the Exchange deem appropriate. It is anticipated that the Resulting Issuer will change its name from "LL One Inc." to "The Limestone Boat Company Limited" concurrently with the completion of the Transaction.

The Resulting Issuer will continue to be incorporated pursuant to the provisions of the OBCA. Upon completion of the Transaction, the head and registered office of the Resulting Issuer will be located at 3450 Landmark Rd, Unit C, Burlington, Ontario L7M 1S8.

Intercorporate Relationships

Upon completion of the Transaction, the Resulting Issuer or The Limestone Boat Company Limited will have one wholly-owned subsidiary LBCI, a corporation incorporated under the laws of Ontario, which will itself have one-wholly owned subsidiary, Limestone US, Inc. incorporated in the State of Delaware.



NARRATIVE DESCRIPTION OF THE BUSINESS

The following disclosure contains forward-looking statements, including with respect to the Resulting Issuer's business objectives and milestones. Such statements involve known and unknown risks, uncertainties and other factors outside of management's control, including the risk factors set forth elsewhere in this Filing Statement that could cause results to differ materially from those described or anticipated in such forward-looking statements. See "*Cautionary Statements Regarding Forward-Looking Information*" and "*Risk Factors*".

Business Objectives and Milestones

Upon completion of the Transaction, the Resulting Issuer's business and stated business objectives will be the business and stated business objectives of LBCI. The Resulting Issuer will be listed as a Tier 2 Industrial, Technology or Life Science Issuer on the Exchange. See "*Part II. Information Concerning LBCI– General Development of the Business*".

The business objectives of the Resulting Issuer with respect to LBCI for the 18-month period following the completion of the Transaction are as follows:

- (a) Expand distribution network in the United States and Canada.
- (b) Add additional models to the Limestone boat lineup.
- (c) Secure additional capacity with Contract Manufacturer.

Milestone	Estimated Completion Date	Estimated Cost
Secure NCF Facility	April 2021	\$500,000
Retain additional 10 LBCI Dealers	June 2021	--
Engineering, design and new mold development	September 2021	\$1,700,000
Increase manufacturing capacity and output with Contract Manufacturer	January 2022	--

While the Resulting Issuer intends to pursue these milestones, there may be circumstances where, for valid business reasons, a re-allocation of efforts may be necessary or advisable. The Resulting Issuer's operating expenses, including sales and marketing expenses, are incurred in proportion to its revenues and so are not identified above. The Resulting Issuer expects to generate sufficient cash flow from sales to pay its operating costs on a go-forward basis, including for the 18-month period following completion of the Transaction.

DESCRIPTION OF SECURITIES

Resulting Issuer Common Shares

The description of the Resulting Issuer's Common Shares are the same as the description for LL One Common Shares under the heading "*Part I. Information Concerning LL One – Description of the Securities – LL One Common Shares*".

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Resulting Issuer after giving effect to the transactions described in the *pro forma* financial statement attached hereto as "*Appendix G – Pro Forma Financial Statements of Resulting Issuer*".

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding After Giving Effect to the Transaction
Resulting Issuer Common Shares held by LL One Shareholders	Unlimited	12,200,000
Resulting Issuer Common Shares held by former holders of LBCI Common Shares	Unlimited	55,781,250
Resulting Issuer Common Shares held by former holders of LBCI Class A Common Shares	Unlimited	15,538,600
Resulting Issuer Common Shares held by former holders of LBCI Subscription Receipts	Unlimited	14,407,500
Total Resulting Issuer Common Shares	Unlimited	97,927,350
Resulting Issuer Broker Warrants ⁽¹⁾	Unlimited	370,000
Resulting Issuer Broker Warrants ⁽²⁾	Unlimited	1,440,750
Resulting Issuer Work Warrants ⁽³⁾	Unlimited	550,000

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding After Giving Effect to the Transaction
Total Resulting Issuer Warrants	Unlimited	2,360,750
Resulting Issuer Options held by former holders of LL One Options	1,220,000	1,215,000
Resulting Issuer Options held by former holders of LBCI Options	<u>8,572,735</u>	<u>2,000,000</u>
Total Resulting Issuer Options⁽⁴⁾	9,792,735	3,215,000

Notes:

- (1) Converted from the LL One Broker Warrants, with each such warrant exercisable at a price of \$0.10 and expiring on August 8, 2021.
- (2) Converted from the LBCI Broker Warrants, with each such warrant exercisable at a price of \$0.16 for a period of 2 years from the date of closing of the Qualifying Transaction.
- (3) Converted from the LBCI Work Warrants, with each such warrant exercisable at a price of \$0.16 for a period of 2 years from the date of closing of the Qualifying Transaction.
- (4) Equal to 10% of the issued and outstanding Resulting Issuer Common Shares.

PRO FORMA FULLY DILUTED SHARE CAPITAL

The following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Transaction.

	Number and Percentage of Resulting Issuer Securities
Total Resulting Issuer Common Shares⁽¹⁾	97,927,350 (94.61%)
Reserved for issuance pursuant to Broker Warrants	1,810,750 (1.75%)
Reserved for issuance pursuant to the Work Warrants	550,000 (0.53%)
Reserved for issuance pursuant to Resulting Issuer Options ⁽¹⁾	3,215,000 (3.11%)
Total number of dilutive securities	5,575,750 (5.39%)
Total number of fully-diluted Resulting Issuer Common Shares	103,503,100 (100%)

ESTIMATED AVAILABLE FUNDS AND PRINCIPAL USES

Estimated Funds Available

Prior to the Private Placement, the consolidated working capital deficiency of the Resulting Issuer as of January 31, 2021 is \$(98,709). The table below shows the breakdown of the estimated funds available:

Estimated Funds Available	Amount (\$)
<i>Pro forma</i> consolidated working capital deficiency prior to the Private Placement ...	(98,709)
Estimated net proceeds of the Private Placement	2,619,757
Total other funds available	nil
Total estimated funds available.....	2,521,048

Dividends

There will be no restrictions in the Resulting Issuer's articles and bylaws or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. It is not contemplated that any dividends will be paid on any shares of the Resulting Issuer in the immediate future following completion of the Transaction; however, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the

future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Common Shares will be entitled to an equal share in any dividends declared and paid.

Principal Purposes of Funds

Based on the information available as at the date of this Filing Statement, assuming the completion of the Transaction, the Resulting Issuer is expected to have approximately \$2,521,048 in funds available. The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its available funds.

Use of Funds	Amount (\$)
Secure NCF Facility	500,000
Engineering, design and new mold development	1,700,000
Unallocated working capital	321,048
Total funds used	2,521,048

Most of the Resulting Issuer's operating expenses, including sales and marketing expenses, will be incurred in proportion to its revenues. The Resulting Issuer expects to generate sufficient cash flow from sales to pay its operating costs on a go-forward basis, including for the 18-month period following completion of the Transaction.

Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives as set out in this Filing Statement.

As the business of LBCI is not capital intensive, it is not currently expected that the Resulting Issuer will require additional funds through equity issuances and expects to be able to operate and grow the business from cash on hand and reinvestment of earnings. Additional capital may be required should the Resulting Issuer decide to pursue acquisitions, however, any such transactions will likely have the impact of increasing cash flow and will not impact operating cash requirements. The Resulting Issuer may also require additional funds in order to fulfill all of its expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional shares or incur debt. There is no assurance that any additional funding required by the Resulting Issuer will be available if required.

Principal Securityholders

The following table sets forth the shareholdings of the Persons who are expected to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Resulting Issuer Common Shares after giving effect to the Transaction.

Name and Municipality of Residence	Number of Securities Beneficially Owned and of Record	% of Holdings ⁽¹⁾
Telfer Hanson ⁽²⁾	16,319,850	16.67%
Scott Hanson ⁽³⁾	17,500,000	17.87%
Taylor Hanson.....	10,000,000	10.21%

Notes:

- (1) All numbers are provided on an undiluted basis.
- (2) Shares are held by Telfer Hanson, Madeline Hanson, Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, or RKH Limited, which Mr. Hanson controls.
- (3) Shares are held by Scott Hanson and Cynthia Hayhurst.

See "Risk Factors – Risks Relating to the Resulting Issuer – Principal Shareholder".

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The following table sets out the names of the proposed directors and officers of the Resulting Issuer, the municipality and province of residence, their position with the Resulting Issuer (and, where applicable, their current position with LL One or LBCI), their principal occupation during the past 5 years, and the number and percentage of Resulting Issuer Common Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's directors and officers following completion of the Transaction:

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Position and Period with LL One or LBCI	Principal Occupation During Last 5 Years	Anticipated Number and Percentage of Resulting Issuer Common Shares Owned or Controlled on Completion of the Transaction
<i>Telfer Hanson</i> Chairman and Director (Burlington, Ontario)	Chairman of LBCI from January 14, 2020 to present	Chairman of LBCI from January 2020 to present; Executive Chairman of Mimi's Rock Corp. (TSXV: MIMI) from October 2017 to present, Chairman of Cheer District Inc. from September 2017 to present; Chairman & President of RKH Limited from 1985 to present; Investment banker 1995 to 2017.	16,319,850 16.67%
<i>Scott Hanson</i> Proposed CEO and Director (Town of Blue Mountains, Ontario)	CEO and Director of LBCI from January 14, 2020, to Present	CEO of LBCI from January 2020 to present; Vice President of RKH Limited, September 1, 2019 to present; CEO of Rossiter Boats from Sep 2018 to August 2019; CEO and director of Windward Holdings (Rossiter Boats) from May 2007 to June 2018.	17,500,000 17.87%
<i>Donald J. Page</i> Proposed CFO (Oakville, Ontario)	CFO of LBCI from August 1, 2020 to Present	President Glister Limited from September 1986 to present; CFO of Nobul Corporation from November 2017 to February 2019; CFO of Cozumo, Inc. July 2014 to November 2017.	5,000,000 5.11%

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Position and Period with LL One or LBCI	Principal Occupation During Last 5 Years	Anticipated Number and Percentage of Resulting Issuer Common Shares Owned or Controlled on Completion of the Transaction
<i>Taylor Hanson</i> Proposed COO (Stoney Creek, Ontario)	COO of LBCI from August 1, 2020 to Present	COO of LBCI from August 2020 to present; Vice President of RKH Limited from August 2018 to July 2020; Corporate Development Associate at Medic Holdings Corp. from August 2016 to July 2017; Investment Banking Associate at Gravitas Securities Inc. from January 2016 to August 2016; Investment Banking Associate at International Capital Management from September 2014 to December 2015.	10,000,000 10.21%
<i>Alan Gertner</i> Proposed Director (Toronto, Ontario)	Director of LL One from March 14, 2019 to Present	Chief Retail Officer of Canopy Growth Corporation from September 2018 to February 2019; Managing Director (formerly CEO and Director) of Hiku Brands Company Ltd. from 2017 to 2019; CEO & Co-founder of Tokyo Smoke from December 2015 to February 2019.	1,550,000 1.58%
<i>Bryan Pearson</i> Proposed Lead Independent Director (Toronto, Ontario)	Director of LBCI from September 26, 2020 to Present	President and CEO of LoyaltyOne October 2006 to August 2019; Director of Nudge Rewards from January 2020 to present; and Director of Mimi's Rock Corp. from April 2019 to present.	2,500,000 2.55%
<i>Charmaine Crooks</i> Proposed Director (West Vancouver, British Columbia)	Director of LBCI from October 5, 2020 to Present	Founder and President of NGU Consultants Inc. from May 1997 to present.	Nil
<i>Charles Pennock</i> Proposed Director (Toronto, Ontario)	Director of LBCI from October 5, 2020 to Present	Principal with Origin Merchant Partners from April 2014 to present.	250,000 0.26%

Upon completion of the Transaction, the directors, officers, and insiders of the Resulting Issuer, as a group, are anticipated to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 63,119,850 Resulting Issuer Common Shares representing 64.46% of the issued and outstanding Resulting Issuer Common Shares.

Following the completion of the Transaction, Messrs. Scott Hanson, Donald Page and Taylor Hanson will be employees of the Resulting Issuer, and each of the officers and directors of the Resulting Issuer will devote such time to the affairs of the Resulting Issuer as is necessary for the proper performance of his or her duties. As of the date hereof, none of the officers or directors of the Resulting Issuer have entered into non-competition or non-disclosure agreements with the Resulting Issuer.

Management

The following is a brief description of the proposed directors and officers of the Resulting Issuer:

Telfer Hanson

Proposed Chairman and Director of the Resulting Issuer (Age 57)

Telfer is an experienced capital markets professional having served 22 years in senior investment banking positions, including covering healthcare and medical technology companies. Most recently, Mr. Hanson co-founded and is Chairman of Mimi's Rock Corp. (TSXV:MIMI). Prior to that Mr. Hanson held senior investment banking positions at several independent brokerage firms.

Scott Hanson

Proposed CEO and Director of the Resulting Issuer (Age 55)

Scott holds an honors diploma in marine design, engineering, and boatbuilding from the Landing School in Kennebunk, Maine. He also brings over 33 years of marketing and business management experience to Limestone, including taking the helm of Rossiter Boats in 2007, where he took it from two part-time employees, to the viable, international boat brand that it has become in just over a decade.

Donald J. Page

Proposed CFO of the Resulting Issuer (Age 67)

Don is a CPA, CA with over 35 years working with entrepreneurs as a CFO, investment banker, or director in both the US and Canada. He brings a wealth of operation experience to the team and will assist the CEO in the long-term development of the Company.

Taylor Hanson

Proposed COO of the Resulting Issuer (Age 29)

Taylor has the unique combination of experience as an associate investment banker, as well as both industrial management and construction. Taylor has brought that passion for excellence to the research, development and implementation of the product development and manufacturing of the company's products in Tennessee. Prior to Taylor's engagement as COO of Limestone, he worked in the Hanson Family Office, researching investment opportunities, as well as the development of the Limestone acquisition since September 2019. Following time as an Investment Banking Associate at International Capital Management and then Gravitas Securities, Taylor was a Corporate Development Associate at Medic Holdings.

Charmaine Crooks

Proposed Director of the Resulting Issuer (Age 58)

Charmain Crooks is a five-time Olympian, Entrepreneur and Community Leader. Based in West Vancouver, with over 20 years of governance experience as a Director on several National and International non-profit and public boards. President and founder of NGU Consultants Inc (1997), providing strategic advisory and corporate development to a variety of sectors including health, technology, sports and major events. Recognized in 2018 as one of Canada's Most Powerful Top 100 by the Women's Executive Network.

Bryan Pearson

Director of the Resulting Issuer (Age 57)

Bryan Pearson is the former CEO of LoyaltyOne Co. and currently serves as a Corporate Director and strategic advisor to a number of for profit and charitable organizations. He is a global leader in customer loyalty, retail marketing and analytics, and a passionate advocate for the ability of marketing, leadership and culture to transform business performance. Under Bryan's leadership, LoyaltyOne expanded beyond its AIRMILES business and grew to a company employing over 2,000 associates in over 28 countries. LoyaltyOne was recognized repeatedly as a leading employer, a most admired corporate culture, one of the greenest companies and one of Canada's top employers for millennials and women. Bryan is a best-selling author and frequent contributor to Forbes magazine. He holds an MBA and a BScH (microbiology and biochemistry) from Queen's University in Kingston.

Charles Pennock

Director of the Resulting Issuer (Age 62)

A Principal with Origin Merchant Partners and has over 30 years of investment banking experience at both Canadian and international investment banks. Charlie has extensive investment banking experience in public and private debt & equity financings, M&A and advisory services with Origin, Blackmont Capital, Midland Walwyn/Merrill Lynch, TD Securities and Richardson Greenshields. Charlie is currently on the board of Urbana Corporation. He graduated with a Bachelor of Commerce (Honours) from Queens University.

Alan Gertner

Director of the Resulting Issuer (Age 36)

Alan Gertner is a proven leader in strategy and operations and most recently served as the Chief Retail Officer for Canopy Growth and as CEO of Hiku Brands, a portfolio of premium cannabis brands, including Tokyo Smoke, Van der Pop, DOJA and Maitri. Alan was a founding member of Google's first Global Business Strategy team while based in Mountain View, California and led a \$100M+ organization at Google in Asia. Prior to Google, Alan was a management consultant at Oliver Wyman in New York and graduated Dean's List from the Richard Ivey School of Business in 2006.

Committees of the Board of Directors of the Resulting Issuer

It is anticipated that following the completion of the Transaction, the standing committees of the board of directors of the Resulting Issuer will include the:

- (a) Audit Committee, to be comprised of Charles Pennock, Telfer Hanson, and Charmaine Crooks. Charles Pennock is anticipated to be Chair of the Audit Committee of the Resulting Issuer.
- (b) Compensation Committee, to be comprised of Charmaine Crooks, Bryan Pearson and Scott Hanson. Charmaine Crooks is anticipated to be Chair of the Compensation Committee of the Resulting Issuer.
- (c) Governance Committee, to be comprised of Charles Pennock and Charmaine Crooks. Charles Pennock is anticipated to be Chair of the Governance Committee of the Resulting Issuer.
- (d) Mergers & Acquisitions Committee, to be comprised of Telfer Hanson, Charles Pennock and Bryan Pearson. Telfer Hanson is anticipated to be Chair of the Mergers & Acquisitions Committee of the Resulting Issuer.
- (e) Marketing & Branding Committee, to be comprised of Bryan Pearson, Charmaine Crooks and Scott Hanson. Bryan Pearson is anticipated to be Chair of the Marketing & Branding Committee.

Corporate Cease Trade Orders or Bankruptcies

Other than as described herein, to the Corporation's knowledge, no proposed director, officer or Promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within 10 years of the date of this Filing Statement, has been a director, officer or Promoter of any Person that, while that person was acting in that capacity,

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) 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.

In June 2018, Windward Holdings Inc., doing business as Rossiter Boats, initiated bankruptcy proceedings as a result of a global outboard engine crisis that affected the boating industry. The assets of Windward Holdings Inc. were sold and the Rossiter Boat business was continued under new ownership. Scott Hanson was the President of Windward Holdings Inc. at the time at which the bankruptcy proceedings were initiated and helped resume successful operations as President of the resulting Rossiter Boats company following such proceedings.

Penalties or Sanctions

To the Corporation's knowledge, no proposed director, officer or Promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been subject to 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) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

To the Corporation's knowledge, no proposed director, officer or Promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of such persons has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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, officer or Promoter.

Conflicts of Interest

Some of the proposed directors and officers of the Resulting Issuer are also directors, officers and/or Promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they are bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their knowledge, the proposed management of the Resulting Issuer is not aware of the existence of any conflicts of interest between any of their directors and officers as of the date of this Filing Statement, other than as disclosed herein.

See "Risk Factors", "Part I. Information Concerning LL One – Description of the Business – History" and "Part III. Information Concerning the Resulting Issuer - Material Contracts".

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last 5 years, directors, officers or Promoters of other reporting issuers:

Name	Reporting Issuer	Position(s) Held	Market Traded On	From	To
Telfer Hanson	Mimi's Rock Corp.	Chairman	TSX-V	2017	Present
Charles Pennock	Urbana Corporation	Director	TSX, CSE	2015	Present
Bryan Pearson	Mimi's Rock Corp.	Lead Independent Director	TSX-V	2018	Present
	Alliance Data Systems Corporation	Executive Vice President	NYSE	1998	2019
Charmaine Crooks	Mimi's Rock Corp	Director	TSX-V	2020	Present
Alan Gertner	Canopy Growth Corporation	Chief Retail Officer	TSX	2018	2019
	Hiku Brands Company Ltd.	Managing Director	CSE	2017	2018

EXECUTIVE COMPENSATION

Summary of Employment Contracts of each Resulting Issuer Named Executive Officer

Scott Hanson, CEO & Director

Scott Hanson has signed a consulting contract with LBCI, which provides for Scott Hanson to be employed as LBCI's CEO. The agreement provides for compensation of US\$15,000 per month until such time as LBCI delivers boats to market, at which time Scott's compensation increases to US\$300,000 per annum. Should LBCI terminate the agreement within the first two years of employment, LBCI shall be required to pay 12 months' severance. Should LBCI terminate the agreement following the second anniversary of employment, 18 months' severance shall be paid to Mr. Hanson.

Donald J. Page, CFO

Donald Page has signed an employment contract with LBCI, which provides for Mr. Page to be employed as LBCI's Chief Financial Officer. The agreement provides for compensation of US\$12,000 per month until such time as LBCI delivers boats to market, other than for the month of December 2020 during which time Mr. Page was paid US \$15,000. After LBCI delivers boats to market Mr. Page's compensation will increase to US\$240,000 per annum. Should LBCI terminate the agreement within the first two years of employment, LBCI shall be required to pay six months' severance. Should LBCI terminate the agreement following the second anniversary of employment, 12 months' severance shall be paid to Mr. Page.

Taylor Hanson, COO

Taylor Hanson has signed an employment contract with LBCI, which provides for Taylor to be employed as LBCI's Chief Operating Officer. The agreement provides for compensation of US\$10,000 per month until such time as LBCI delivers boats to market, at which time Taylor's compensation increases to US\$200,000 per annum. Should LBCI terminate the agreement within the first two years of employment, LBCI shall be required to pay six months' severance. Should LBCI terminate the agreement following the second anniversary of employment, 12 months' severance shall be paid to Mr. Hanson.

Share-Based Awards, Option-based Awards and Non-Equity Incentive Plan Compensation

The board of directors of the Resulting Issuer will be tasked with establishing an executive compensation program, which will include any share-based awards, option-based awards or the establishment of any non-equity incentive plans.

The Resulting Issuer's stock option plan (the "**Resulting Issuer Stock Option Plan**") will be the same as the Stock Option Plan of LL One. See "*Part I. Information Concerning LL One – Stock Option Plan*".

The board of directors of the Resulting Issuer may in its discretion grant additional stock options in accordance with the terms of the Resulting Issuer Stock Option Plan for annual compensation, amongst other things.

DIRECTOR COMPENSATION

Each director, excluding Scott Hanson, is expected to receive base compensation of \$36,000 per year, plus \$1,500 per meeting excluding quarterly and annual general meetings, commencing June 1, 2021 or such other date as approved by the Board of Directors. Additional compensation may be granted for the role of Chairman and other Board Committee duties.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of LL One or LBCI, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to LL One or LBCI at any time.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

There will be no change to the stock option plan as a result of completion of the Transaction and all holders of LBCI Options will receive LL One Exchange Options on Closing. The Resulting Issuer will continue to abide by the stock LL One Stock Option Plan (the "**Resulting Issuer Stock Option Plan**"). See "*Part I. Information Concerning LL One – Stock Option Plan*".

Under the Resulting Issuer Stock Option Plan, the board of directors of the Resulting Issuer may in its discretion grant additional stock options in accordance with the terms of the Resulting Issuer Stock Option Plan for annual compensation, amongst other things.

Following completion of the Transaction and under the Resulting Issuer Stock Option Plan: (i) former holders of LL One Options will hold 1,215,000 options to purchase Resulting Issuer Common Shares exercisable at \$0.10; and (ii) former holders of LBCI Options will hold 2,000,000 options to purchase Resulting Issuer Common Shares exercisable at a blended average exercise price of \$0.16 per Resulting Issuer Common Share. All of the LBCI Options vested on grant and expire 5 years following the grant date.

The following table provides information as to options to purchase Resulting Issuer Common Shares that, as of the date of this Filing Statement, are expected to be outstanding immediately following the Closing:

Category of Optionholder	Number of Options to Acquire Common Shares Held as a Group
All proposed Officers of the Resulting Issuer	nil
All proposed Directors of the Resulting Issuers who are not also proposed Officers	1,673,572
All other employees as a group	nil
All consultants as a group	500,000
All former holders of LL One Options (excluding proposed directors of the Resulting Issuer)	1,041,428

ESCROWED SECURITIES

CPC Escrowed Securities

On July 5, 2019, LL One, TSX Trust Company and certain shareholders entered into an escrow agreement, whereby 7,950,000 LL One Common Shares are deposited with TSX Trust Company (the "**CPC Escrow Agreement**").

Where the Resulting Issuer Common Shares which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement, has agreed not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Each holding company has signed an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company.

Under the Escrow Agreement, 10% of the escrowed Resulting Issuer Common Shares were to be released from escrow on the issuance of the Final Exchange Bulletin and an additional 15% were to be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the issuance of the Final Exchange Bulletin.

If the Resulting Issuer meets the Exchange's Tier 2 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Resulting Issuer Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 2 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 2 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Resulting Issuer Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Resulting Issuer Common Shares will not be released. Under the Escrow Agreement, each Non-Arm's Length Party to the Resulting Issuer who holds escrowed Resulting Issuer Common Shares has irrevocably authorized and directed TSX Trust Company, the escrow agent, to immediately:

- (a) cancel all of those escrowed Resulting Issuer Common Shares upon the issuance by the Exchange of a bulletin delisting the Resulting Issuer Common Shares; or
- (b) if the Resulting Issuer lists on NEX, either:
 - i. cancel all securities issued before the Resulting Issuer's initial public offering or by a private target company before a Reverse Takeover, change of business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading (the "**Initial Shares**") purchased by Non-Arm's Length Parties to the Resulting Issuer at a discount from the initial public offering price of \$0.20 per Resulting Issuer Common Share, in accordance with Section 11.2(a) of the CPC Policy; or
 - ii. subject to majority shareholder approval, cancel an amount of Initial Shares purchased by Non-Arm's Length Parties to the Resulting Issuer so that the average cost of the remaining Initial Shares is at least equal to the initial public offering price of \$0.20 per Resulting Issuer Common Share.

Resulting Issuer Escrowed Securities

Upon completion of the Transaction, it is expected that there will be an aggregate of 63,119,850 Resulting Issuer Common Shares that will be subject to a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**") for Tier 2 issuers to be entered into by the Resulting Issuer and the TSX Trust Company (being the escrow agent and transfer agent) and the holders of Resulting Issuer Common Shares subject to such escrow requirements.

Any Resulting Issuer Common Shares held by persons who will be considered a Principal of the Resulting Issuer upon completion of the Transaction will be subject to the Exchange's escrow requirements.

Generally, if the number of Surplus Securities issued exceeds 25% of the number of permitted Value Securities, then all Principal securities (including both Value Securities and Surplus Securities) will be subject to a Surplus Security Escrow Agreement

"Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement.

"Surplus Securities" are all securities issued as consideration for an asset, business, property (or interest in property) services, debt settlement that do not constitute Value Securities.

If at least 75% of the Resulting Issuer Common Shares issued pursuant to the Transaction are "Value Securities", then all Resulting Issuer Securities issued to Principals of the Resulting Issuer pursuant to the Transaction will be deposited into escrow pursuant to a value security agreement ("**Value Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow and the requirement for cancellation of any surplus escrow shares upon the loss or abandonment of the property or discontinuance of the operations for which such surplus escrow shares were issued.

In the case of a Resulting Issuer that is a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a 36 month escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with an additional 15% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that is a Tier 2 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement also provides for a 36 month escrow release mechanism with:

- (a) 5% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin;
- (b) 5% of the escrowed securities being releasable on the 6 month anniversary of the Final Exchange Bulletin;
- (c) 10% of the escrowed securities being releasable on the 12 month anniversary of the Final Exchange Bulletin;
- (d) 10% of the escrowed securities being releasable on the 18 month anniversary of the Final Exchange Bulletin;
- (e) 15% of the escrowed securities being releasable on the 24 month anniversary of the Final Exchange Bulletin;
- (f) 15% of the escrowed securities being releasable on the 30 month anniversary of the Final Exchange Bulletin;
and
- (g) 40% of the escrowed securities being releasable on the 36 month anniversary of the Final Exchange Bulletin.

Summary of Escrowed Securities

The following is a summary of the Resulting Issuer Common Shares that are anticipated to be held in escrow or otherwise subject to escrow restrictions:

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
		Number of Shares	Percentage of Class	Number of Resulting Issuer Securities Held in Escrow	Percentage of Class ⁽¹⁾
Telfer Hanson ⁽²⁾ Burlington, Ontario	Common Class A Common	265,625 60,772	23.81% 19.56%	16,319,850	16.67%
Scott Hanson ⁽³⁾ The Town of Blue Mountain, Ontario	Common	350,000	31.37%	17,500,000	17.87%
Donald Page ⁽⁴⁾ Oakville, Ontario	Common	100,000	8.96%	5,000,000	5.11%
Taylor Hanson Stoney Creek, Ontario	Common	200,000	17.93%	10,000,000	10.21%
Alan Gertner ⁽⁵⁾ Toronto, Ontario	Class A Common LL One Common Shares	15,000 800,000	4.83% 6.56%	1,550,000 ⁽⁶⁾	1.58%
Bryan Pearson Toronto, Ontario	Class A Common	50,000	16.09%	2,500,000	2.55%
Charles Pennock ⁽⁷⁾ Toronto, Ontario	Class A Common	5,000	1.61%	250,000	0.26%

Notes:

- (1) All numbers are provided on an undiluted basis.
- (2) Shares are held by Telfer Hanson, Madeline Hanson, Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, or RKH Limited, which Mr. Hanson controls.
- (3) Shares are held by Scott Hanson or Cynthia Hayhurst.
- (4) Shares are held by Donald Page or Cathy Page.
- (5) Shares are held by 2441124 Ontario Inc.
- (6) 800,000 of these shares are also reflected as subject to the CPC Escrow Agreement in the table below.
- (7) Shares are held by Dromore Corp.

The following individuals will continue to be subject to escrow restrictions pursuant to the CPC Escrow Agreement:

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
		Number of LL One Securities Held in Escrow	Percentage of Class	Number of Resulting Issuer Securities Held in Escrow	Percentage of Class
Alan Friedman Toronto, Ontario	Common	250,000	2.05%	250,000	0.26%
Jesse Kaplan Toronto, Ontario	Common	250,000	2.05%	250,000	0.26%
Ryan Walsh Tel Aviv, Israel	Common	250,000	2.05%	250,000	0.26%

C.P.T. Inc. ⁽⁵⁾ Nassau, Bahamas	Common	250,000	2.05%	250,000	0.26%
Longside Ventures LLC ⁽⁶⁾ Hallandale Beach, FL	Common	250,000	2.05%	250,000	0.26%
Crest Ventures LLC ⁽⁷⁾ Miami, Florida	Common	250,000	2.05%	250,000	0.26%
Taconic Group LLC ⁽⁸⁾ North Miami Beach, Florida	Common	250,000	2.05%	250,000	0.26%
O.M. Management Ltd. ⁽⁹⁾ Vancouver, B.C.	Common	250,000	2.05%	250,000	0.26%
High Hat Investments Ltd. ⁽²⁾ Vancouver, B.C.	Common	500,000	4.10%	500,000	0.51%
Lorne Gertner Toronto, Ontario	Common	500,000	4.10%	500,000	0.51%
W. Brett Wilson Calgary, Alberta	Common	500,000	4.10%	500,000	0.51%
One Love Limited ⁽¹¹⁾ Kingston 8, Jamaica	Common	800,000	6.56%	800,000	0.82%
Alan Gertner Toronto, Ontario	Common	800,000	6.56%	800,000	0.82%
Lennox Lewis Brampton, Ontario	Common	800,000	6.56%	800,000	0.82%
HBAM Holding Inc. ⁽³⁾ Ottawa, Ontario	Common	800,000	6.56%	800,000	0.82%
LRW 40 Trust ⁽⁴⁾ Calgary, Alberta	Common	800,000	6.56%	800,000	0.82%
Aaron Sonshine Toronto, Ontario	Common	200,000	1.64%	200,000	0.20%
Night Owl, S.A. ⁽¹⁰⁾ Panama City, Panama	Common	250,000	2.05%	250,000	0.26%

Notes:

- (1) The percentages in this column are approximations and are calculated on an undiluted basis (i.e. they do not include the exercise of any proposed stock options, warrants or other convertible securities) and on the basis that the directors will not purchase any of the Common Shares in the Offering. See "*Options to Purchase Securities*".
- (2) These shares are held by High Hat Investments Ltd., a private company controlled or beneficially owned by Mr. Houssian.
- (3) These shares are held by HBAM Holding Inc., a private company controlled or beneficially owned by Mr. Linton.
- (4) These shares are held by LRW 40 Trust, a trust of which Mr. Wilson is the sole beneficiary.
- (5) These shares are held by C.P.T. Inc., a private company controlled or beneficially owned by Mr. Coombes.
- (6) These shares are held by Longside Ventures LLC., a private company controlled or beneficially owned by Mr. Kaplan.
- (7) These shares are held by Crest Ventures LLC., a private company controlled or beneficially owned by Mr. Arnold.
- (8) These shares are held by Taconic Group LLC., a private company controlled or beneficially owned by Mr. Grinberg.
- (9) These shares are held by O.M. Management Ltd., a private company controlled or beneficially owned by Mr. Varshney.
- (10) These shares are held by Night Owl, S.A., a private company controlled or beneficially owned by Mr. Ampodia.
- (11) These shares are held by One Love Limited, a private company controlled or beneficially owned by Mr. Vaswani.

Other Resale Restrictions

Designation of Class	Aggregate number of Resulting Issuer Securities Subject to Resale Restrictions	Percentage of Class	Expiry Date of Resale Restrictions
Common	10,000,000	10.21%	Subject to Tier 2 Value Security Escrow with a 36 month escrow release mechanism ⁽²⁾

Note:

(1) See "*Resulting Issuer Escrowed Securities*" for the escrow release schedule.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Following completion of the Transaction, it is expected that KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants located at Commerce Place, 21 King Street West, Suite 700, Hamilton, Ontario, M5H 2G4 are to be appointed as auditors of the Resulting Issuer.

TSX Trust Company located at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 is the transfer agent and registrar of LL One, is anticipated to be appointed as the transfer agent and registrar of the Resulting Issuer following the completion of the Transaction.

See "*Part I. Information Concerning LL One – Auditor, Transfer Agent and Registrar*".

PART IV: GENERAL MATTERS

SPONSORSHIP AND AGENT RELATIONSHIP

Sponsor

Sponsorship for the Transaction is required by the CPC Policy unless an exemption from the sponsorship requirement is granted. LL One was granted an exemption from sponsorship requirements pursuant to Section 3.4 of TSX-V Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Relationships

To the best of the knowledge of LL One and LBCI, except as set forth in this Filing Statement, neither the Resulting Issuer, LL One, nor LBCI has entered into any agreement with any other registrant to provide sponsorship or corporate finance services, either now or in the future.

INTERESTS OF EXPERTS

No Person, whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of LL One, LBCI or any of their respective Associates or Affiliates, and no such Person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such Person is a Promoter of LL One, LBCI or any of their respective Associates or Affiliates.

BOARD APPROVAL

The contents and sending of this Filing Statement have been approved by the LL One Board. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than the Corporation, the Corporation has relied upon information furnished by such Person.

APPENDIX A

FINANCIAL STATEMENTS OF LL ONE

Please see attached.

LL One Inc.

(A Capital Pool Company)

**Unaudited Condensed Interim
Consolidated Financial Statements**

**For the three and nine months ended
December 31, 2020 and 2019**

(In Canadian Dollars)

LL One Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at December 31, 2020 and March 31, 2020
(in Canadian Dollars)

As at	December 31, 2020	March 31, 2020
Assets		
Cash held in trust	\$ 331,521	\$ 670,275
Advance to Limestone (Note 6)	225,000	-
Prepaid expenses	11,752	9,575
	\$ 568,273	\$ 679,850
Liabilities		
Accrued liabilities	\$ 11,743	\$ 72,666
Shareholders' Equity		
Share capital (Note 3)	721,058	721,058
Contributed surplus	109,951	109,951
Accumulated deficit	(274,479)	(223,825)
	556,530	607,184
	\$ 568,273	\$ 679,850

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Approved by the Board (signed) Alan Gertner
CEO

(signed) Balram Vaswani
CFO

LL One Inc.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended December 31, 2020 and 2019
(in Canadian Dollars)

	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Nine month period ended December 31, 2020	Nine month period ended December 31, 2019
Expenses				
Professional fees	\$ 17,332	\$ 56,960	\$ 45,808	\$ 68,274
Listing fees	-	1,392	973	17,212
Share based compensation	-	-	-	90,452
Office expense	-	597	-	597
Foreign exchange loss (gain)	1,616	-	3,873	-
Net loss and comprehensive loss for the period	\$ (18,948)	\$ (58,949)	\$ (50,654)	\$ (176,535)
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.08)
Weighted average shares outstanding- basic and diluted	4,250,000	4,200,000	4,250,000	2,222,628

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

LL One Inc.
Unaudited Condensed Interim Consolidated Statements of Changes in Cash Flows
For the Nine Months Ended December 31, 2020 and 2019
(in Canadian Dollars)

	Nine month period ended December 31, 2020	Nine month period ended December 31, 2019
Cash provided by (used in)		
Cash flows from operating activities		
Net loss for the period	\$ (50,654)	\$ (176,535)
Share based compensation	-	90,452
Changes in prepaid expenses	(2,177)	(7,859)
Change in accrued liabilities	(60,923)	11,023
Advance to Limestone	(225,000)	-
Cash Used in Operating Activities	\$ (338,754)	(82,919)
Cash flows from financing activities		
Share issuance	-	420,000
Cash issuance costs	-	(72,175)
Exercise of agent's warrants	-	5,000
Cash Provided by Financing Activities	-	352,825
Net change in cash	(338,754)	269,906
Cash beginning of period	670,275	397,500
Cash end of period	\$ 331,521	\$ 667,406

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

LL One Inc.**Unaudited Condensed Interim Consolidated Statements of Changes Shareholders' Equity****For the Nine Months Ended December 31, 2020 and 2019**

(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, April 1, 2019	7,950,000	\$ 392,500	\$ -	\$ (46,335)	\$ 346,165
Share issuance	4,200,000	420,000	-	-	420,000
Issuance Costs (cash)	-	(72,175)	-	-	(72,175)
Issuance Costs (agent warrants)	-	(22,134)	22,134	-	-
Share based compensation	-	-	90,452	-	90,452
Exercise of agent's warrants	50,000	5,000	-	-	5,000
Fair value of exercised agent's warrants	-	2,635	(2,635)	-	-
Net loss for the period	-	-	-	(176,535)	(176,535)
Balance, December 31, 2019	12,200,000	\$ 725,826	\$ 109,951	\$ (222,870)	\$ 612,907

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, April 1, 2020	12,200,000	\$ 721,058	\$ 109,951	\$ (223,825)	\$ 607,184
Net loss for the period	-	-	-	(50,654)	(50,654)
Balance, December 31, 2020	12,200,000	\$ 721,058	\$ 109,951	\$ (274,479)	\$ 556,530

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. INCORPORATION AND NATURE OF BUSINESS

LL One Inc. (the "Corporation") was incorporated under the *Business Corporations Act* (Ontario) on March 14, 2018 and is a Capital Pool Corporation as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust, advance to Limestone and prepaid expenses. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 3400 One First Canadian Place, Toronto, ON M5K 0A1.

On February 22, 2021, the Board of Directors approved the interim unaudited consolidated financial statements for the three months and nine months ended December 31, 2020 and 2019.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the corporation's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Statement of Compliance – continued

The accounting policies applied by the Corporation in these Unaudited Condensed Interim Consolidated Financial Statements are the same as those applied by the Corporation in audited financial statements for the years ended March 31, 2020 and 2019.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly owned subsidiary, 2790889 Ontario Inc.

3. SHARE CAPITAL

Authorized Unlimited common shares

Issued	#	\$
7,950,000 common shares (i)	7,950,000	\$ 397,500
Issuance cost (cash)	-	(5,000)
Balance, March 31, 2019	7,950,000	\$ 392,500
4,200,000 common shares (ii)	4,200,000	420,000
Issuance cost (cash)	-	(76,943)
Issuance cost (warrants)	-	(22,134)
Exercise of Agent's Warrants	50,000	7,635
Balance, March 31, 2020 and December 31, 2020	12,200,000	\$ 721,058

(i) Escrowed Shares

During the period ended March 31, 2018, the Corporation issued 1,300,000 common shares at \$0.05 per share for gross proceeds of \$65,000. During the period ended March 31, 2019, the Corporation issued 6,650,000 common shares at \$0.05 per share for gross proceeds of \$332,500. Share issuance costs of \$5,000 were associated with these issuances.

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow. The 7,950,000 of the issued and outstanding common shares have been held in escrow at December 31, 2020 pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the Final Exchange Bulletin is issued. As a result, the escrow shares have not been contemplated in the weighted-average shares outstanding calculation.

3. SHARE CAPITAL – continued**(ii) Initial Public Offering**

On August 8, 2019, the Corporation completed its Initial Public Offering (“IPO”) of 4,200,000 common shares at \$0.10 per share for gross proceeds of \$420,000. The Corporation paid a commission of 10% of the gross proceeds to Haywood Securities Inc. (the “Agent”), and granted the Agent warrants to acquire 10% of the common shares issued in the IPO exercisable for a period ending twenty-four months from the closing of the IPO, exercisable at \$0.10 per share. The Corporation also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash issuance costs of \$76,943 were associated with these issuances and the value attributed to warrants granted to the Agent is \$22,134.

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any shares issued upon exercise of the options prior to the Corporation entering into a QT will be subject to escrow restrictions.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and Warrants	Weighted Average Exercise Price (\$)
April 1, 2019	-	-
Granted (i)	420,000	\$0.10
Granted to directors and officers (ii)	1,215,000	\$0.10
Exercise of Agent's Warrants (iii)	(50,000)	\$(0.10)
Balance, December 31, 2020	1,585,000	\$0.10

- i. On August 8, 2019, the Corporation granted 420,000 warrants to the Agent, which are exercisable within two years from the closing of the IPO at an exercise price of \$0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.36%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$22,134.

3. SHARE CAPITAL – continued

Options – continued

ii. On August 8, 2019, the Corporation granted 1,215,000 options to its directors and officers, which vested immediately upon completion of the IPO. The options are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.23%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$90,452.

iii. On August 19, 2019, the Agent exercised 50,000 warrants at an exercise price of \$0.10 per share for gross proceeds of \$5,000. The value attributable to these warrants was \$2,635.

The following table reflects the actual stock options and warrants issued and outstanding as of December 31, 2020:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options and Warrants Outstanding	Number of Stock Options and Warrants Vested (Exercisable)
August 8, 2021	\$0.10	0.60	370,000	370,000
August 8, 2024	\$0.10	3.61	1,215,000	1,215,000
	\$0.10	2.90	1,585,000	1,585,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust, advance to Limestone and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2020, the Corporation incurred legal fees of approximately \$19,250 for services provided by a law firm whose partner is a director of the Corporation (2019 – \$44,803). As at December 31, 2020, \$11,743 (2019 - \$62,358) is included in accrued liabilities for these services.

6. QUALIFYING TRANSACTION AND SUBSEQUENT EVENTS

On November 16, 2020, the Corporation announced that it entered into a definitive agreement dated November 13, 2020 with The Limestone Boat Company Inc. ("LBC") and 2790889 Ontario Inc. a wholly-owned subsidiary of the Company ("Subco") which will govern the Company's qualifying transaction. The parties will complete a three-cornered amalgamation (the "Amalgamation") whereby LBC will amalgamate with Subco.

In connection with the Qualifying Transaction, on October 21, 2020, the Corporation advanced LBCI \$25,000, which is refundable upon termination of the Transaction other than a termination arising from a breach by the Corporation. On December 7, 2020, the Corporation advanced an additional \$200,000 to LBC ("Bridge Loan"). Upon termination of the Acquisition Agreement, LBCI is obligated to return the \$200,000 Bridge Loan pursuant to the terms and conditions of the promissory note dated December 7, 2020.

On January 20, 2021, the Corporation announced the closing of a \$3.23 million private placement offering by The Limestone Boat Company.

LL One Inc.
(A Capital Pool Company)
Financial Statements
For the Years Ended March 31, 2020 and 2019
(In Canadian Dollars)

Independent Auditor's Report

To the Shareholders of LL One Inc.:

Opinion

We have audited the financial statements of LL One Inc. (the "Corporation"), which comprise the statements of financial position as at March 31, 2020 and March 31, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020 and March 31, 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pierrette Dosanjh.

MNP LLP

Toronto, Ontario
July 29, 2020

Chartered Professional Accountants
Licensed Public Accountants

MNP

LL One Inc.
Statements of Financial Position
(in Canadian Dollars)

As at	March 31, 2020	March 31, 2019
Assets		
Cash held in trust	\$ 670,275	\$ 397,500
Prepaid expenses	9,575	-
	\$ 679,850	\$ 397,500
Liabilities		
Accrued liabilities	\$ 72,666	\$ 51,335
Shareholders' Equity		
Share capital, net of issuance costs (Note 3)	721,058	392,500
Contributed surplus	109,951	-
Accumulated deficit	(223,825)	(46,335)
	607,184	346,165
	\$ 679,850	\$ 397,500

Incorporation and Nature of Business – Note 1

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

Approved by the Board Alan Gertner (signed)
CEO

Balram Vaswani (signed)
CFO

LL One Inc.
Statements of Loss and Comprehensive Loss
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Expenses		
Professional fees	\$ 64,600	\$ 31,245
Listing fees	24,709	15,090
Share based compensation (Note 3)	90,452	-
Foreign exchange (gain) loss	(2,271)	-
Net loss and comprehensive loss for the year	(177,490)	(46,335)
Net loss per share – basic and diluted	\$ (0.06)	\$ -
Weighted average shares outstanding- basic and diluted	2,746,438	-

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

LL One Inc.
Statements of Changes in Cash Flows
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Cash flows used in operating activities		
Net loss for the year	\$ (177,490)	\$ (46,335)
Share based compensation	90,452	-
Change in accrued liabilities	21,331	46,335
Change in prepaid expenses	(9,575)	-
Net cash used in operating activities	(75,282)	-
Cash flows from financing activities		
Share issuance	420,000	337,000
Issuance costs (cash)	(76,943)	(5,000)
Exercise of agent's warrants	5,000	-
Net cash provided by financing activities	348,057	332,500
Net change in cash	272,775	332,500
Cash, beginning of year	397,500	65,000
Cash, ending of year	\$ 670,275	\$ 397,500

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

LL One Inc.
Statements of Changes in Shareholders' Equity
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

	Number of Shares	Share Capital	Accumulated Deficit	Shareholders' Equity
Balance, April 1, 2018	1,300,000	\$ 65,000	\$ -	\$ 65,000
Share issuance (Note 3)	6,650,000	332,500	-	332,500
Share issuance costs	-	(5,000)	-	(5,000)
Net loss for the year	-	-	(46,335)	(46,335)
Balance, March 31, 2019	7,950,000	\$ 392,500	\$ (46,335)	\$ 346,165

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, April 1, 2019	7,950,000	\$ 392,500	\$ -	\$ (46,335)	\$ 346,165
Share issuance (Note 3)	4,200,000	420,000	-	-	420,000
Issuance costs (cash)	-	(76,943)	-	-	(76,943)
Issuance costs (agent warrants)	-	(22,134)	22,134	-	-
Share based compensation	-	-	90,452	-	90,452
Exercise of agent's warrants	50,000	5,000	-	-	5,000
Fair value of exercised agent's warrants (Note 3)	-	2,635	(2,635)	-	-
Net loss for the year	-	-	-	(177,490)	(177,490)
Balance, March 31, 2020	12,200,000	\$ 721,058	\$ 109,951	\$ (223,825)	\$ 607,184

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

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

1. INCORPORATION AND NATURE OF BUSINESS

LL One Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on March 14, 2018 and is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust and prepaid expenses. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation. The Corporation is required to complete its QT on or before two years from the date the shares of the Corporation were first listed on the Exchange.

The head office and the registered head office of the Corporation is located at 3400 One First Canadian Place, Toronto, ON M5K 0A1.

On July 29, 2020, the Board of Directors approved the financial statements for the years ended March 31, 2020 and 2019.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates and Judgments - continued

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Common shares escrowed pursuant to the requirements of the Exchange are excluded from the number of outstanding common shares.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share-based Compensation

Equity-settled share-based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. Share options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Corporation's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments – continued

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive loss.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash held in trust is classified as assets at fair value and any period change in fair value is recorded in profit or loss.

Accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash held in trust is a level 1 financial instrument measured at fair value on the statements of financial position.

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expensed to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

3. SHARE CAPITAL

Authorized Unlimited common shares

Issued	#	\$
7,950,000 common shares (i)	7,950,000	\$ 397,500
Issuance cost (cash)	-	(5,000)
Balance, March 31, 2019	7,950,000	\$ 392,500
4,200,000 common shares (ii)	4,200,000	420,000
Issuance cost (cash)	-	(76,943)
Issuance cost (warrants)	-	(22,134)
Exercise of Agent's Warrants	50,000	7,635
Balance, March 31, 2020	12,200,000	\$ 721,058

(i) Escrowed Shares

During the period ended March 31, 2018, the Corporation issued 1,300,000 common shares at \$0.05 per share for gross proceeds of \$65,000. During the period ended March 31, 2019, the Corporation issued 6,650,000 common shares at \$0.05 per share for gross proceeds of \$332,500. Share issuance costs of \$5,000 were associated with these issuances.

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

3. SHARE CAPITAL – continued

(i) Escrowed Shares – continued

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow. The 7,950,000 of the issued and outstanding common shares have been held in escrow at March 31, 2020 pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the Final Exchange Bulletin is issued. As a result, the escrow shares have not been contemplated in the weighted-average shares outstanding calculation.

(ii) Initial Public Offering

On August 8, 2019, the Corporation completed its Initial Public Offering (“IPO”) of 4,200,000 common shares at \$0.10 per share for gross proceeds of \$420,000. The Corporation paid a commission of 10% of the gross proceeds to Haywood Securities Inc. (the “Agent”), and granted the Agent warrants to acquire 10% of the common shares issued in the IPO exercisable for a period ending twenty-four months from the closing of the IPO, exercisable at \$0.10 per share. The Corporation also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash issuance costs of \$76,943 were associated with these issuances and the value attributed to warrants granted to the Agent is \$22,134.

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any shares issued upon exercise of the options prior to the Corporation entering into a QT will be subject to escrow restrictions.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and Warrants	Weighted Average Exercise Price (\$)
April 1, 2019	-	-
Granted (i)	420,000	\$0.10
Granted to directors and officers (ii)	1,215,004	\$0.10
Exercise of Agent's Warrants (iii)	(50,000)	\$(0.10)
Balance, March 31, 2020	1,585,004	\$0.10

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

3. SHARE CAPITAL – continued

Options – continued

i. On August 8, 2019, the Corporation granted 420,000 warrants to the Agent, which are exercisable within two years from the closing of the IPO at an exercise price of \$0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.36%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$22,134.

ii. On August 8, 2019, the Corporation granted 1,215,004 options to its directors and officers, which vested immediately upon completion of the IPO. The options are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.23%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$90,452.

iii. On August 19, 2019, the Agent exercised 50,000 warrants at an exercise price of \$0.10 per share for gross proceeds of \$5,000. The value attributable to these warrants was \$2,635.

The following table reflects the actual stock options and warrants issued and outstanding as of March 31, 2020:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options and Warrants Outstanding	Number of Stock Options and Warrants Vested (Exercisable)
August 8, 2021	\$0.10	1.36	370,000	370,000
August 8, 2024	\$0.10	4.36	1,215,004	1,215,004
	\$0.10	3.66	1,585,004	1,585,004

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under Exchange Policy 2.4.

LL One Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2020 and 2019
(in Canadian Dollars)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2020, the Corporation granted 1,215,004 stock options to directors and officers of the Corporation. The Corporation recorded a related expense of \$90,452 as share based compensation. Additionally, the Corporation incurred legal fees of \$42,257 and share issuance costs of \$5,356 for services provided by a law firm whose partner is a director of the Corporation (2019 - \$25,200 and \$5,000). As at March 31, 2020, \$65,169 is included in accrued liabilities for these services (2019 - \$30,200).

There were no other transactions with related parties and no other remuneration paid to key management personnel during the years ended March 31, 2020 and 2019.

6. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% (2019 – 26.5%) and the Corporation's effective income tax expense is as follows:

	2020	2019
Net loss for the year	\$ (177,490)	\$ (46,335)
Expected income tax recovery	(47,030)	(12,280)
Non-deductible expenses	23,970	-
Share issuance costs booked to equity	(26,260)	(1,330)
Deferred tax assets not recognized	49,320	13,610
Income tax recovery	\$ -	\$ -

As at March 31, 2020 the Corporation had \$97,580 (2019 - \$27,180) operating losses for income tax purposes which can be carried forward to be applied against future taxable income. The losses expire to the extent unutilized against future taxable income as follows:

2039	\$ 27,180
2040	70,400
	<u>\$ 97,580</u>

The Corporation also had \$139,870 (2019 - \$24,160) in un-deducted share issuance costs, which will be expensed for tax purposes over the next four years.

The Corporation has not recorded deferred tax assets related to these unused carry forward losses and share issuance costs as it is not probable that future taxable profits will be available against which these can be deducted.

APPENDIX B

MANAGEMENT'S DISCUSSION AND ANALYSIS OF LL ONE

Please see attached.

LL One Inc.
Management Discussion and Analysis
For the Nine Months Ended December 31, 2020

February 22, 2021

The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of LL One Inc. (the “Corporation” or “LL One”) for the three and nine months ended December 31, 2020 and 2019 should be read in conjunction with the Corporation’s unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2020 and 2019. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

LL One Inc. was incorporated under the Business Corporations Act (Ontario) on March 14, 2018 and is classified as a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual (the “Manual”). The head office and the registered head office of the Corporation is located at 3400 One First Canadian Place, Toronto, ON M5K 0A1. The Corporation’s common shares commenced trading on the Exchange under the trading symbol “LLO.P” on August 8, 2019.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”) as such term is contemplated in the Manual. The Corporation has not commenced operations and has no

assets other than cash held in trust, advance to Limestone and prepaid expenses. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation. The Corporation is required to complete its QT on or before two years from the date the Corporation's shares were first listed on the Exchange.

During the period ended March 31, 2018, the Corporation issued 1,300,000 common shares at \$0.05 per share for gross proceeds of \$65,000. During the period ended March 31, 2019, the Corporation issued 6,650,000 common shares at \$0.05 per share for gross proceeds of \$332,500. Share issuance costs of \$5,000 were associated with these issuances.

On August 8, 2019, the Corporation completed its Initial Public Offering ("IPO") of 4,200,000 common shares at \$0.10 per share for gross proceeds of \$420,000. The Corporation paid a commission of 10% of the gross proceeds to Haywood Securities Inc. (the "Agent"), and granted the Agent warrants to acquire 10% of the common shares issued in the IPO exercisable for a period ending twenty-four months from the closing of the IPO, exercisable at \$0.10 per share. The Corporation also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash issuance costs of \$76,943 were associated with these issuances and the value attributed to warrants granted to the Agent is \$22,134.

Concurrently with the completion of the IPO, the Corporation granted 1,215,000 stock options to its directors and officers at an exercise price of \$0.10 per share for a period of five years from the grant date.

On August 19, 2019, the Agent exercised 50,000 warrants at an exercise price of \$0.10 per share for gross proceeds of \$5,000. The value attributable to these warrants was \$2,635.

On November 16, 2020, the Corporation announced that it entered into a definitive agreement dated November 13, 2020 with The Limestone Boat Company Inc. ("LBC") and 2790889 Ontario Inc. a wholly-owned subsidiary of the Company ("Subco") which will govern the Company's qualifying transaction. The parties will complete a three-cornered amalgamation (the "Amalgamation") whereby LBC will amalgamate with Subco.

LL One Inc.
Management Discussion and Analysis
Page 3

In connection with the Qualifying Transaction, on October 21, 2020, the Corporation advanced LBC \$25,000, which is refundable upon termination of the Transaction other than a termination arising from a breach by the Corporation. On December 7, 2020, the Corporation advanced an additional \$200,000 to LBC (“Bridge Loan”). Upon termination of the Acquisition Agreement, LBC is obligated to return the \$200,000 Bridge Loan pursuant to the terms and conditions of the promissory note dated December 7, 2020.

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly owned subsidiary, 2790889 Ontario Inc.

On January 20, 2021, the Corporation announced the closing of a \$3.23 million private placement offering by The Limestone Boat Company.

On February 22, 2021, the Board of Directors approved the unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2020 and 2019.

Summary of Quarterly Results

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Total Assets	\$568,273	\$597,264	\$674,621	\$679,850	\$675,265	\$723,660	\$386,935	\$397,500	\$397,500
Total Revenues	Nil	Nil	nil	nil	nil	nil	nil	nil	nil
Total Expenses	\$18,948	\$26,477	\$5,229	\$955	\$58,949	\$108,066	\$9,520	\$38,768	\$7,567
Net Loss	(\$18,948)	(\$26,477)	(\$5,229)	(\$955)	(\$58,949)	(\$108,066)	(\$9,520)	(\$38,768)	(\$7,567)
Basic and diluted net loss per share	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.04)	(\$0.00)	(\$0.00)	\$(0.00)

Results of Operations

Three months ended December 31, 2020

The Corporation recorded a net loss of \$18,948 during the three months ended December 31 30, 2020 (2019 – \$58,949). The net loss for the three months ended December 31, 2020 is due mainly due to adjustments to professional fees, filing fees and foreign exchange losses.

December 31, 2020

The Corporation recorded a net loss of \$50,654 during the nine months ended December 31, 2020 (2019 – \$117,586). The net loss for the nine months ended December 31, 2020 is due mainly due to adjustments to professional fees, filing fees and foreign exchange losses.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred from the date of incorporation (March 14, 2018) to December 31, 2020:

Material Costs	Period from the date of incorporation (March 14, 2018) to December 31, 2020
Professional fees	\$141,653
Filing fees	\$40,772
Stock-based compensation	\$90,452
Foreign exchange gain	\$1,602

Liquidity and Capital Resources

As at December 31, 2020, the Corporation had cash of \$331,521 (2019 - \$667,406), Advance to Limestone of \$225,000, and prepaid expenses of \$11,752 (2019 - \$7,859). The Corporation had current liabilities of \$11,743 (2019 - \$62,358) and working capital of \$556,530 (2019 – \$612,907).

Negative cash flows of \$338,754 (2019 - \$282,919) were recorded from operating activities during the nine months ended December 31, 2020. This is primarily due to outflows relating to professional fees and foreign exchange losses.

Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares. Each common share entitles the holder to one vote at all meetings of shareholders and represents an interest in dividends declared by the Corporation and an undivided interest in the net assets of the Corporation. As of the date of this MD&A, 12,200,000 common shares are issued and outstanding. In addition, there are 1,215,000 stock options outstanding, exercisable at \$0.10 per share, expiring on August 8, 2024 and 370,000 Agent's Warrants outstanding, exercisable at \$0.10 per share, expiring on August 8, 2021.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the period ended December 31, 2020, the Corporation incurred legal fees of approximately \$19,250 for services provided by a law firm whose partner is a director of the Corporation (2019 – \$44,803). As at December 31, 2020, \$11,743 (2019 - \$62,358) is included in accrued liabilities for these services.

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust, advance to Limestone and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Accounting Estimates

The Corporation's significant accounting policies are summarized in Note 2 to the audited financial statements for the years ended March 31, 2020 and 2019.

Additional Information

For further detail, see the Corporation's unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2020. Additional information about the Corporation can also be found on SEDAR.

LL One Inc.
Management Discussion and Analysis
For the Year Ended March 31, 2020

July 29, 2020

The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of LL One Inc. (the “Corporation” or “LL One”) for the year ended March 31, 2020 should be read in conjunction with the Corporation’s financial statements for the years ended March 31, 2020 and 2019. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

LL One Inc. was incorporated under the Business Corporations Act (Ontario) on March 14, 2018 and is classified as a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual (the “Manual”). The head office and the registered head office of the Corporation is located at 3400 One First Canadian Place, Toronto, ON M5K 0A1. The Corporation’s common shares commenced trading on the Exchange under the trading symbol “LLO.P” on August 8, 2019.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”) as such term is contemplated in the Manual. The Corporation has not commenced operations and has no assets other than cash held in trust. The Corporation’s continuing operations as intended are

dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation. The Corporation is required to complete its QT on or before two years from the date the Corporation's shares were first listed on the Exchange.

During the period ended March 31, 2018, the Corporation issued 1,300,000 common shares at \$0.05 per share for gross proceeds of \$65,000. During the period ended March 31, 2019, the Corporation issued 6,650,000 common shares at \$0.05 per share for gross proceeds of \$332,500. Share issuance costs of \$5,000 were associated with these issuances.

On August 8, 2019, the Corporation completed its Initial Public Offering ("IPO") of 4,200,000 common shares at \$0.10 per share for gross proceeds of \$420,000. The Corporation paid a commission of 10% of the gross proceeds to Haywood Securities Inc. (the "Agent"), and granted the Agent warrants to acquire 10% of the common shares issued in the IPO exercisable for a period ending twenty-four months from the closing of the IPO, exercisable at \$0.10 per share. The Corporation also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash issuance costs of \$76,943 were associated with these issuances and the value attributed to warrants granted to the Agent is \$22,134.

Concurrently with the completion of the IPO, the Corporation granted 1,215,004 stock options to its directors and officers at an exercise price of \$0.10 per share for a period of five years from the grant date.

On August 19, 2019, the Agent exercised 50,000 warrants at an exercise price of \$0.10 per share for gross proceeds of \$5,000. The value attributable to these warrants was \$2,635.

On July 29, 2020 the Board of Directors approved the financial statements for the years ended March 31, 2020 and 2019.

Summary of Quarterly Results

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Total Assets	\$679,850	\$675,265	\$723,660	\$386,935	\$397,500	\$397,500	\$202,500	\$77,500
Total Revenues	nil	nil	nil	nil	nil	nil	nil	nil
Total Expenses	\$955	\$58,949	\$108,066	\$9,520	\$38,768	\$7,567	nil	nil
Net Income (Loss)	(\$955)	(\$58,949)	(\$108,066)	(\$9,520)	(\$38,768)	(\$7,567)	nil	nil
Basic and diluted net loss per share	(\$0.00)	(\$0.01)	(\$0.04)	(\$0.00)	(\$0.00)	\$(0.00)	\$-	\$-

Results of Operations

Three month period ended March 31, 2020

The Corporation recorded a net loss of \$955 during the three month period ended March 31, 2020 (2019 – \$38,768). The net loss for the three month period ended March 31, 2020 is due mainly due to adjustments to professional fees and listing fees.

Year ended March 31, 2020

The Corporation recorded a net loss of \$177,490 during the year ended March 31, 2020 (2019 – \$46,335). The net loss for the year ended March 31, 2020 is due mainly due to costs in relation to its listing on the Exchange, professional fees and share-based compensation.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred from the date of incorporation (March 14, 2018) to March 31, 2020:

Material Costs	Period from the date of incorporation (March 14, 2018) to March 31, 2020
Professional fees	\$95,845
Filing fees	\$39,799
Stock-based compensation	\$90,452
Foreign exchange gain	\$2,271

Liquidity and Capital Resources

As at March 31, 2020, the Corporation had cash of \$670,275, and prepaid expenses of \$9,575. The Corporation had current liabilities of \$72,666 and working capital of \$607,184.

Negative cash flows of \$75,282 (2019 - nil) were recorded from operating activities during the year ended March 31, 2020. This is primarily due to outflows relating to filing fees and professional fees.

Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares. Each common share entitles the holder to one vote at all meetings of shareholders and represents an interest in dividends declared by the Corporation and an undivided interest in the net assets of the Corporation. As of the date of this MD&A, 12,200,000 common shares are issued and outstanding. In addition, there are 1,215,004 stock options outstanding, exercisable at \$0.10 per share, expiring on August 8, 2024 and 370,000 Agent's Warrants outstanding, exercisable at \$0.10 per share, expiring on August 8, 2021.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the year ended March 31, 2020, the Corporation granted 1,215,004 stock options to directors and officers of the Corporation. The Corporation recorded a related expense of \$90,452 as share based compensation. Additionally, the Corporation incurred legal fees of \$42,257 and share issuance costs of \$5,356 for services provided by a law firm whose partner is a director of the Corporation (2019 - \$25,200 and \$5,000). As at March 31, 2020, \$65,169 is included in accrued liabilities for these services (2019 - \$30,200).

There were no other transactions with related parties and no other remuneration paid to key management personnel during the years ended March 31, 2020 and 2019.

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Accounting Estimates

The Corporation's significant accounting policies are summarized in Note 2 to the audited financial statements for the years ended March 31, 2020 and 2019.

Additional Information

For further detail, see the Corporation's financial statements for the years ended March 31, 2020 and 2019. Additional information about the Corporation can also be found on SEDAR.

APPENDIX C

FINANCIAL STATEMENTS OF LBCI

Please see attached.



THE LIMESTONE BOAT COMPANY INC.

Audited Consolidated Financial Statements

December 31, 2020



The Limestone Boat Company Inc.

For the 353 days ended December 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of The Limestone Boat Company Inc. (the "Company") are the responsibility of management and have been approved by the Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Scott Hanson"

Scott Hanson
CEO

"Charles Pennock"

Charles Pennock
Chair – Audit Committee

February 8, 2021



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
Telephone (905) 523-8200
Fax (905) 523-2222

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Limestone Boat Company Inc.

Opinion

We have audited the consolidated financial statements of The Limestone Boat Company Inc., (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of loss and comprehensive loss for 353 day period ended December 31, 2020
- the consolidated statement of changes in equity for the 353 day period ended December 31, 2020
- the consolidated statement of cash flows for the 353 day period ended December 31, 2020
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the 353 days ended December 31, 2020, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that the Entity has generated a net loss, has not achieved revenues from operations, and has negative working capital as at December 31, 2020. As stated in Note 2(b) in the financial statements, these events or conditions, along with other matters as set forth in Note 2(b) in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditors' report. If, based on the work that we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Page 4

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

February 23, 2021

LIMESTONE®

The Limestone Boat Company Inc.

Consolidated Statement of Financial Position

As at December 31, 2020

	Note	2020
ASSETS		
CURRENT ASSETS		
Cash		\$ 130,181
HST receivable		117,818
Prepaid expenses and deposits		176,393
		424,392
Property and equipment	3	798,896
TOTAL ASSETS		\$ 1,223,288
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities		\$ 779,631
Promissory note payable to LL One Inc.	4	225,000
TOTAL LIABILITIES		\$ 1,004,631
SHAREHOLDERS' EQUITY		
Common shares	5	\$ 10
Class A common shares	5	1,654,005
Contributed surplus	5	212,300
Accumulated other comprehensive loss		(28,916)
Deficit		(1,618,742)
TOTAL SHAREHOLDERS' EQUITY		218,657
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		\$ 1,223,288
Going concern	2(b)	
Commitments and contingencies	7	
Subsequent events	7,14	
Approved by:		
<u>"Scott Hanson"</u>		<u>"Charles Pennock"</u>
Director		Director

**The Limestone Boat Company Inc.**

Consolidated Statement of Loss and Comprehensive Loss
For the 353 days ended December 31, 2020

	Note	2020
REVENUE		\$ -
OPERATING EXPENSES	8	
Advertising and promotion		90,116
Depreciation of property and equipment	3	2,230
Delivery, freight and customs		727
Insurance		28,872
Interest and bank charges		5,812
Memberships and dues		369
Office expenses		5,127
Professional fees		607,493
Rental	6	38,974
Salaries and wages		570,603
Stock based compensation	5	212,300
Travel expenses		31,273
Utilities		6,490
Foreign exchange loss		18,356
TOTAL OPERATING EXPENSES		1,618,742
LOSS BEFORE INCOME TAXES		(1,618,742)
Income tax expense	9	-
LOSS FOR THE PERIOD		\$ (1,618,742)
OTHER COMPREHENSIVE LOSS		
Currency translation adjustment		(28,916)
COMPREHENSIVE LOSS FOR THE PERIOD		\$ (1,647,658)
Weighted average number of common shares outstanding:		
Basic and diluted		1,000,000
Net loss per share:		
Basic and diluted		\$ (1.62)



The Limestone Boat Company Inc.

Consolidated Statement of Changes in Equity
For the 353 days ended December 31, 2020

	Note	Common shares		Class A common shares		Contributed surplus	Accumulated other comprehensive loss	Deficit	Total Equity
		Number	Amount	Number	Amount				
Balance, January 14, 2020		-	\$ -	-	\$ -	-	\$ -	-	\$ -
Issuance of Common shares	5	1,000,000	10	-	-	-	-	-	10
Issuance of Class A common shares	5	-	-	310,772	1,656,454	-	-	-	1,656,454
Share issuance costs	5	-	-	-	(2,449)	-	-	-	(2,449)
Stock based compensation	5	-	-	-	-	212,300	-	-	212,300
Loss for the period		-	-	-	-	-	(28,916)	(1,618,742)	(1,647,658)
Balance, December 31, 2020		1,000,000	\$ 10	310,772	\$ 1,654,005	\$ 212,300	\$ (28,916)	\$ (1,618,742)	\$ 218,657

LIMESTONE®

The Limestone Boat Company Inc.

Consolidated Statement of Cash Flows

For the 353 days ended December 31, 2020

	Note	2020
OPERATING ACTIVITIES		
Loss for the period		\$ (1,618,742)
Items not affecting cash		
Depreciation of property and equipment	3	2,230
Unrealized foreign exchange loss		33,907
Class A common shares issued in exchange for services	5	326,568
Stock-based compensation expense	5	212,300
		(1,043,737)
Change in non-cash working capital balances		
HST receivable		(117,818)
Prepaid expenses and deposits		(182,845)
Accounts payable and accrued liabilities		662,686
		(681,714)
INVESTING ACTIVITIES		
Purchase of property and equipment		(712,618)
FINANCING ACTIVITIES		
Cash proceeds from issuance of shares	5	1,329,896
Share issuance costs	5	(2,449)
Proceeds from promissory note payable to LL One Inc.	4	225,000
		1,552,447
NET CHANGE IN CASH DURING IN THE PERIOD		158,115
Foreign currency movement in cash balances		(27,934)
CASH - BEGINNING OF PERIOD		-
CASH - END OF PERIOD		\$ 130,181
SUPPLEMENTAL DISCLOSURE		
Interest paid		\$ 2,540

Accounts payable and accrued liabilities includes \$116,945 of payables associated with the purchase of property and equipment.

1. General Business Description

The Limestone Boat Company Inc. (the "Company") was incorporated under the Business Corporation Act of Ontario on January 14, 2020. The primary activities of the Company are the design, marketing and sale of power boats. Since inception, the Company has focused on the acquisition of molds and the design, marketing and sale of power boats.

The address of the corporate office is 3450 Landmark Rd, Unit C, Burlington, Ontario, Canada.

2. Significant Accounting Policies

(a) Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue on February 8, 2021 in accordance with a resolution of the board of directors.

(b) Going concern basis of accounting

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its liabilities.

The Company has recognized a net loss of \$1,618,742 for the 353 days ended December 31, 2020 and has not achieved revenues from operations. In addition, the Company has negative working capital of \$580,239 as at December 31, 2020. As a result, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management's current strategy is to raise additional equity and focus on the building and distribution of its power boats. Although management intends to assess and act on this strategy, there can be no assurance that the steps management takes will be successful. In the event that cash flow from operations, together with the proceeds from any future financings are insufficient to cover planned expenditures, management will allocate available resources in a manner deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations.

These consolidated financial statements do not reflect any adjustments, which could be material, to the carrying amounts of assets and liabilities, reported revenues and expenses, and balance sheet classifications used, that would be necessary if the Company were unable to continue as a going concern.

2. Significant Accounting Policies (continued)

(c) Principles of consolidation

These consolidated financial statements include the accounts of The Limestone Boat Company Inc. and its subsidiary, Limestone US, Inc. (collectively, the "Company"). All intercompany balances, transactions, income and expenses, and gains or losses have been eliminated on consolidation.

Subsidiaries are consolidated where the Company has the ability to exercise control. Control of an investee is defined to exist when the Company is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following: power over the investee (existing rights that gives it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from the Company's involvement with the investee; and the ability to use its power over the investee to affect its returns.

(d) Functional and presentation currency

The Company's functional currency is U.S. dollars based on the primary economic environment in which the Company operates. The Company's presentation currency is Canadian dollars.

(e) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect as of the balance sheet date. Gains and losses are recognized in income on a current basis.

Assets and liabilities are translated into the Company's presentation currency using the exchange rates at the reporting date. The revenues and expenses are translated using a rate representative of the date on which the transaction occurred, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through currency translation adjustment and accumulated other comprehensive loss in equity.

(f) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as presented in the table below.

Asset	Useful life
Molds and tooling	20 years

Depreciation of an asset begins when it is available for use and is in the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Significant Accounting Policies (continued)

(f) Property and equipment (continued)

Property and equipment that consist of parts that have a cost that is significant in relation to the item of property and equipment to which it relates are treated as separate components of an item of property and equipment and depreciated on a straight-line basis during the estimated period of service, taking into account any residual value at the end of the period. When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. In addition, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. Major repairs and upgrades are recognized separately and depreciated over their useful lives. All other repair and maintenance costs are expensed as incurred.

(g) Impairment of non-financial assets

The Company's non-financial assets are reviewed for indicators of impairment at each balance sheet date. If an indicator of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. When the asset does not generate cash flows that are independent of other assets, impairment is considered for the cash generating unit ("CGU") or group of CGUs to which the asset belongs. Impairment losses are recognized in net income (loss) for the period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is reversed if there is an indication that there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Leases

At the inception of an arrangement, the Company assesses whether the arrangement is, or contains, a lease. An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and do not contain a purchase option, and for leases of a low-value assets. These types of leases are not recognized on the Company's consolidated statement of financial position and payments to lessors are recorded in the consolidated statement of comprehensive loss on a straight-line basis over the term of the lease.

2. Significant Accounting Policies (continued)

(i) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of comprehensive loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(j) Use of estimates

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The following are management's key estimates and judgements:

- Functional currency – judgment is required in determining the Company's functional currency based on the economic environment in which it primarily generates and expends cash;
- Stock-based compensation – the amounts recorded for stock-based compensation are based on estimates. The Black Scholes model is used to estimate the fair value of stock options at the date of grant based on estimates of assumptions for share price, expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options (refer to note 5);
- Recovery of deferred income tax assets – assessing whether the realization of tax losses against future taxable income is probable (refer to note 9);
- Useful lives of assets - estimates are involved in the determination of the useful lives of property and equipment to determine their expected depreciation rates.

2. Significant Accounting Policies (continued)

(k) Financial instruments

(i) Financial assets

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

The Company's financial assets are comprised of cash and HST receivable. On initial recognition, the Company classifies these financial assets as measured at amortized cost, when both of the following conditions are met:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(ii) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

(iii) Financial liabilities are classified at amortized cost

The Company's financial liabilities are measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2. Significant Accounting Policies (continued)

(l) Net income (loss) per share

Basic earnings per share are calculated by dividing profit or loss by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share are calculated similar to basic earnings per share except the weighted average number of common shares outstanding is adjusted for the effects of all dilutive potential common shares, which are comprised of additional shares from the assumed exercise or conversion of share options and Class A common shares. Share options and Class A common shares that have a dilutive impact are assumed to have been exercised or converted on the later of the beginning of the period or the date granted. As the Company is in a net loss position for the 353 day period ended December 31, 2020, the share options and Class A common shares outstanding are anti-dilutive.

(m) Stock based compensation

The fair value of all stock options granted to employees, senior executives and directors is determined using the Black-Scholes option pricing model and incorporates a number of assumptions. The resulting value is charged to operations over the vesting period of the underlying options. A corresponding increase in contributed surplus is recorded when employee stock options are charged to operations.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless the fair value of the goods or services received cannot be estimated reliably. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the goods or services received, and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

For stock-based compensation with non-vesting conditions, the grant date fair value of the stock-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes. When a stock option is exercised, share capital is recorded at the sum of the proceeds received plus the amount previously recorded in contributed surplus relating to the options exercised.

(n) Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the date of the statement of financial position.

2. Significant Accounting Policies (continued)

(o) Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3. Property and Equipment

Property and equipment is comprised of the following:

Cost	Molds and tooling	Total
January 14, 2020	\$ -	\$ -
Additions	829,563	829,563
Disposals	-	-
Currency translation adjustment	(28,530)	(28,530)
December 31, 2020	\$ 801,033	\$ 801,033

Accumulated Depreciation	Molds and tooling	Total
January 14, 2020	\$ -	\$ -
Depreciation	2,230	2,230
Disposals	-	-
Currency translation adjustment	(93)	(93)
December 31, 2020	\$ 2,137	\$ 2,137

Net book value	Molds and tooling	Total
January 14, 2020	\$ -	\$ -
December 31, 2020	\$ 798,896	\$ 798,896

The Company entered into an agreement to purchase five molds and the associated tooling required to produce their boats at a total cost of \$665,000. As at December 31, 2020, the Company has received all of the molds. The Company capitalized the costs associated with the molds and tooling including shipping and design work. The Company will begin depreciating these assets once they are put into use. The first mold was put into use in October 2020 at which point depreciation was commenced.

4. Promissory note payable to LL One Inc.

On October 9, 2020 the Company signed a non-binding Letter of Intent with LL One Inc. ("LL One"), a capital pool company listed on the TSX Venture Exchange ("TSXV"), whereby LL One will acquire all of the issued and outstanding securities of the Company, with the intention that such acquisition will constitute the "Qualifying Transaction" of LL One as such term is defined in Policy 2.4 of the TSXV. On October 21, 2020, LL One advanced a deposit in the amount of \$25,000 to the Company, which is subject to the terms of the Letter of Intent and refundable upon termination of the acquisition other than a termination arising from a breach by LL One.

4. Promissory note payable to LL One Inc. (continued)

On December 7, 2020, the Company was advanced \$200,000 through the execution of a promissory note with LL One. This promissory note is subordinate to senior debt, non-interest bearing, due on demand, and specifically repayable in the event the qualifying transaction is not completed. The promissory note is secured by a general security agreement which provides LL One with a mortgage, pledge, charge and security interest in the undertaking of the Company and in all of the Company's present and after acquired personal property including in all goods, chattel paper, documents of title, instruments, intangibles, investment property, money and security entitlement now owned or acquired by the Company.

5. Share Capital

(a) Authorized and issued

Common shares:

The Company is authorized to issue an unlimited number of common shares. Holders of common shares have the right to vote at any meeting of shareholder of the Company, receive any dividend declared by the Company, and to receive the remaining property of the Company on dissolution.

Class A common shares:

The Company is authorized to issue an unlimited number of Class A common shares. The Class A common shares are voting shares and have priority over the common shares with respect to dividends, liquidation, redemption and other rights and preferences in terms of seniority of payout. Holders of Class A common shares are entitled to receive dividends up to the amount equal to their original investment prior to the common shares receiving any dividends. After priority dividends have been paid, Class A common shares are automatically converted to common shares.

Upon a liquidation event, holders of Class A common shares receive prior to and in preference to the holder of common shares, a per share amount equal to the issue price less any priority dividends received. Holders of Class A common shares have the option to convert their Class A common shares into fully paid and non-assessable common shares at a one for one ratio upon a change of control. After a change in control event, holders of Class A common shares can require the Company to redeem their shares at the aggregate of the issue price and all accrued and unpaid dividends thereon. The Company is required to approve all change of control transactions.

The following common shares and Class A common shares were issued and outstanding at December 31, 2020:

	Common shares		Class A common shares	
	Number	Amount	Number	Amount
Balance, January 14, 2020	-	\$ -	-	\$ -
Issued for cash	1,000,000	10	250,000	1,329,886
Issued in exchange for services (note 8)	-	-	60,772	326,568
Share issuance costs	-	-	-	(2,449)
Balance, December 31, 2020	1,000,000	\$ 10	310,772	\$ 1,654,005

5. Share Capital (continued)**(b) Stock based compensation**

Stock option activity for the period ended December 31, 2020 was as follows:

	2020	
	Weighted Average Exercise Price	Number of Options
Balance, beginning of period	\$ -	-
Transactions during the period		
Granted ⁽ⁱ⁾	\$ 8.00	40,000
Outstanding, end of period	\$ 8.00	40,000
Exercisable, end of period	\$ 8.00	40,000

- (i) On October 5, 2020, 30,000 stock options were granted to certain members of the board of directors, exercisable at \$8.00 per common share through October 5, 2025. These options vested immediately. Additionally, on October 12, 2020, 10,000 stock options were granted to a consultant of the Company, exercisable at \$8.00 per common share through October 12, 2025. These options vested immediately and were recorded at the fair value of the equity instruments granted, as this was a more reliable method of measurement. Holders of these options will receive an aggregate of 2,000,000 LL One stock options, upon completion of the Proposed Transaction as further described in note 14.

The following table provides additional information about the outstanding stock options as at December 31, 2020:

2020			
Exercise Price	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Number of Exercisable
\$8.00	40,000	4.77	40,000

Using the Black-Scholes valuation method, the following weighted average assumptions were used to determine the value of the options granted during 2020:

	2020
Risk-free interest rate	0.42%
Estimated life of options (years)	3.72
Expected volatility	100%
Fair value of underlying common shares at date of issuance	\$ 8.00
Exercise price of options	\$ 8.00
Dividend yield	0%
Fair value of options granted	\$ 5.31

6. Leases

The Company has recorded expenses of \$38,974 relating to its short-term leases. These expenses have been recorded within rental. In connection with these leases, the Company is committed to lease payments of \$7,700 in fiscal 2021.

7. Commitments

Design Fee License Agreement

On May 12, 2020, the Company entered into a design fee license agreement with Mark Ellis Design, LLC for the exclusive worldwide rights to manufacture Limestone boats and the exclusive worldwide rights to the use of the name of the Limestone trademark. This agreement has an initial term of twenty years and will automatically renew for successive terms of twenty years unless the Company elects not to renew. This agreement requires the Company to pay monthly design fees in an amount equal to the product of revenue from the sale of products in a given month and a prescribed rate based on the type of product sold and the volume of sales. As at December 31, 2020, an initial advance of \$25,000 USD was paid under the design fee license agreement. This amount is recorded within prepaid expenses and deposits.

Consulting Services Agreement

On August 28, 2020, the Company entered into an agreement with Mark Ellis, the original designer of Limestone boats, for consulting services associated with mentorship on the Limestone brand, design counsel, and marketing input and support on an as requested basis. The term of the agreement is two years and has a total fee of \$50,000 USD which is to be paid in monthly installments of \$2,083 USD. For the 353 day period ended December 31, 2020, \$11,007 has been expensed and included within professional fees.

Manufacturing Agreement

On September 3, 2020, the Company entered into an agreement with a third party located in Tennessee to manufacture and build certain boats to the Company's specification. The agreement has a fixed term of three years and will automatically renew for successive terms of one year, unless terminated by either party. Commencing on November 1, 2020, or such other date as may be agreed by the parties, and continuing throughout the term of the agreement, the Company has agreed to order a minimum of the lesser of i) 30% of the estimated annual build forecast on an annual basis; and ii) four boats per month.

As the Company submits each boat order, they are required to deposit an amount of \$3,000 USD with the manufacturer. As at December 31, 2020, no boat orders have been submitted to the manufacturer. The ultimate cost for each boat order is based on a prescribed formula that applies a markup to actual costs incurred in the manufacturing of each boat. The Company also is responsible for costs incurred by the manufacturer in connection with preparing the models for production. The Company is also responsible for reimbursing the manufacturer for all direct costs, including material costs and labor costs incurred in the construction of new molds and modifications. Accounts payable and accrued liabilities includes \$25,456 associated with the reimbursement of costs incurred. These costs have been recorded as an addition to molds within property and equipment as they are directly attributable to bringing the purchased molds to the condition necessary for them to be capable of operating in the manner intended by management.

7. Commitments (continued)

Marine Dealer Financing Arrangement with Northpoint Commercial Finance

On November 23, 2020, the Company entered into a series of agreements with Northpoint Commercial Finance Canada Inc. and Northpoint Commercial Finance LL (collectively "NCF") through which the Company has been approved for a US\$7.5 million floor planning facility (the "NCF Facility") to support the sale of Limestone boats to the Company's dealers. Seven days after receiving a sales invoice from the Company, NCF will remit funding for the full invoice amount. In turn, the dealers will be required to make payments to NCF based on their separate financing terms. As at December 31, 2020, no sales invoices have been issued to dealers, nor has funding been requested from NCF.

In connection with the NCF Facility, the Company has executed repurchase agreements with NCF. If a dealer defaults on their payments to NCF, the Company will be required to repurchase the associated boat(s) from NCF. In order to get access to the NCF Facility, the Company will be required to issue two standby letters of credit in the amount of \$500,000, which will each activate financing of US\$3.75 million. The letters of credit are issued as, and constitute, security for all obligations of the Company to NCF.

On January 25, 2021, an irrevocable standby letter of credit in the amount of \$500,000 was issued on behalf of the Company to NCF in connection with the floor planning facility. The letter of credit bears interest at a rate of 2.80% per annum.

8. Related Party Transactions

The Company's related party transactions during the period are largely associated with its shareholders. Transactions with shareholders have been recorded in the following financial statement captions at the aggregate amounts noted below:

	2020
Advertising and promotion	\$ 6,363
Office expense	2,443
Professional fees	403,010
Rental	38,974
Salaries and wages	450,032
Stock based compensation (note 5(b))	166,500
Travel expenses	25,200
Utilities	6,490
	<u>\$ 1,099,012</u>

Key management personnel are also shareholders of the Company. The CEO provides his services through an entity he controls which charges the Company a management fee that amounted to \$106,633 during the period which has been recorded within professional fees. Compensation of other key management personnel amounted to \$450,032 during the period which included salaries in the aggregate amount of \$420,486 and short-term benefits in the amount of \$29,546. These amounts have been recorded within salaries and wages.

8. Related Party Transactions (continued)

An entity that is a shareholder of the Company incurred costs totaling \$334,374 on behalf of the Company. These costs included salaries and wages for key management personnel of \$209,000 and short-term benefits of \$10,450 which are included in the total compensation of other key management personnel figure noted above. The costs also include rent of \$33,000, travel of \$25,200, utilities of \$6,490, yacht design fees of \$7,433, and prepaid design fees of \$34,995. In exchange for these goods and services, the entity received 60,772 Class A common shares. These costs and the corresponding shares have been recorded in the financial statements at the fair value of the goods and services received based on market prices. Additionally, advertising expenses of \$6,363 and office expense of \$1,443 were reimbursed in cash.

The Company made lease payments in the amount of \$5,974 and reimbursed office expenses of \$1,000 to a company controlled by a shareholder during the period.

Additionally, a shareholder provided legal services to the Company in the amount of \$348,826. Of this amount, \$75,000 has been recorded as prepaid costs in connection with the private placement, \$2,449 has been recorded against equity as share issuance costs, and \$271,377 has been expensed to professional fees. This amount is outstanding as at December 31, 2020 and is recorded within accounts payable and accrued liabilities. The outstanding balance is priced on an arm's length basis, is not secured, and is to be settled in cash.

Another shareholder provided consulting services related to financial reporting which were charged to the Company in the amount of \$25,000 through the shareholder's professional corporation. This amount is outstanding as at December 31, 2020 and is recorded within accounts payable and accrued liabilities and professional fees. The outstanding balance is priced on an arm's length basis, is not secured, and is to be settled in cash.

9. Income Taxes

- (a) The Company's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2020
Loss before income taxes	\$ (1,618,742)
Combined basic Canadian corporate income tax rate	26.5%
Income tax expense (recovery) based upon the above rate	(428,967)
Income tax on stock-based compensation	56,260
Non-deductible expenses and other	(649)
Change in unrecognized deductible temporary differences	373,356
	\$ -

- (b) Unrecognized deferred tax assets:

	2020
Deferred tax assets (liabilities)	
Operating losses carried forward	\$ 404,612
Depreciable capital assets	(32,396)
Share issuance costs	1,140
	373,356
Less: Unrecognized temporary differences	(373,356)
Net deferred tax assets	\$ -

- (c) At December 31, 2020, the Limestone Boat Company Inc., has unused tax losses for federal income tax purposes of \$1,526,838 which are available to offset future federal taxable income. No deferred tax asset has been recognized in respect of these losses.

10. Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its strategy of growth and to maximize the return to its shareholders. The capital structure of the Company consists of cash, promissory note payable to LL One Inc., and shareholders' equity. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

11. Financial Risk Management

Liquidity risk:

Liquidity risk arises from the possibility that the Company will not be able to meet its financial obligations as they become due. The Company's process for managing liquidity risk includes ensuring that, to the extent possible, it will have sufficient liquidity to meet its liabilities when they become due.

The Company monitors its risk of a shortage of funds by following internal policies on the completion of various liquidity planning processes. The Company prepares a weekly cash flow analysis to identify any potential shortfall of funds and the mitigation strategy in such circumstances. Potential sources for liquidity could include, but are not limited to bank loans or advances from shareholders.

Foreign currency risk:

Foreign currency risk arises from the possibility that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expenses are denominated in a foreign currency.

At present the Company has no plans in place to hedge its foreign exchange exposures. The Company's CAD monetary balances consist of the following:

	2020
Cash	\$ 124,778
HST receivable	117,818
Accounts payable and accrued liabilities	631,304
Promissory note payable to LL One Inc.	225,000

A sensitivity analysis is presented below on its exposure to foreign currency risk on balances denominated in CAD.

Sensitivity analysis – foreign exchange risk

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a one-year period. The Company's operating activities are substantially denominated in US dollars. The Company's funds are kept in CAD and USD with a major Canadian financial institution.

The table below summarizes the effects on foreign exchange gains and losses as a result of a 10% change in the value of the foreign currencies where the Company has significant exposure. The analysis assumes that other variables remain constant.

	Loss effect of a 10% increase in foreign exchange rates on translation of CAD monetary balances	Income effect of a 10% decrease in foreign exchange rates on translation of CAD monetary balances
CAD	\$ 61,371	\$ (61,371)

12. Impact of COVID-19

The COVID-19 pandemic may adversely affect, the operation of our manufacturing partner, and those of our dealers and suppliers, thereby adversely affecting our business, financial condition and results of operations.

The COVID-19 pandemic has significantly impacted health and economic conditions throughout Canada, the United States and the world. Consumer fear about becoming ill with the virus and recommendations and/or mandates from federal, provincial, state and local authorities to avoid large gatherings of people or self-quarantine have been imposed.

While we cannot predict the ultimate impact of the COVID-19 virus on our business at this time, the pandemic and related efforts to mitigate the pandemic may impact our business in a number of ways, including but not limited to:

- decreasing consumer confidence as a result of the economic impact of the pandemic, which could result in a decrease in consumer demand for recreational boats;
- disrupting our contract manufacturer's processes
- adversely impacting the financial health of our dealers who typically require financing to purchase our boats;
- adversely impacting the business of our suppliers, which could result in among other things, delays for delivery of raw materials and components needed for the production of our boats;
- impacting our contract manufacturer's ability to maintain its workforce during this uncertain time;
- any or all of these items may occur, which individually or in the aggregate, may have a material adverse effect on our business, financial condition, results of operations and cash flows. These risks could accelerate or intensify depending on the severity and length of the pandemic.

The ultimate magnitude of COVID-19, including the extent of its impact on our financial condition and results of operations, which could be material, will depend on all of the factors noted above, including other factors that we may not be able to forecast at this time. While we expect the impacts of COVID-19 to have an adverse effect on our business, financial condition and results of operations, we are unable to predict the extent of these impacts at this time.

13. Segment Reporting

The Company is required to disclose certain information regarding operating segments, products, services and geographic areas. Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company operated as one reporting segment for the 353 days ended December 31, 2020.

14. Subsequent Events

Acquisition Agreement with LL One Inc. and 2790889 Ontario Inc.

Effective November 13, 2020, LL One entered into an Acquisition Agreement (the "Acquisition Agreement") with the Company, and 2790889 Ontario Inc., a wholly-owned subsidiary of LL One, in respect of the completion of an arm's length reverse-takeover transaction of the Company by LL One (the "Proposed Transaction"), which will constitute the completion of LL One's Qualifying Transaction. This agreement supersedes all prior or contemporaneous agreements, understandings and discussions, including the Letter of Intent issued on October 9, 2020. The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature. On February 12, 2021 the Company and LL One entered into an Amendment to the Acquisition Agreement whereby the Closing date was extended to March 15, 2021 from February 15, 2021. Further, on February 17, 2021, the Company received conditional approval from the TSXV on the Proposed Transaction and is in the process of fulfilling these conditions. The Company is in the advanced stages of consummating the terms of the Acquisition Agreement and is expected to conclude no later than March 15, 2021, subject to TSXV final acceptance.

The Proposed Transaction will result in LL One acquiring all of the issued and outstanding securities of the Company in exchange for the issuance of securities of LL One, which will result in the Company becoming a wholly-owned subsidiary of LL One; the existing shareholders of the Company owning a majority of the outstanding LL One common shares (after completion of the Proposed Transaction, referred to herein as the "Resulting Issuer Shares"); and LL One will be renamed "The Limestone Boat Company Limited" (the "Resulting Issuer") or such other name as the Company may determine.

As consideration for the acquisition of all of the outstanding shares of the Company, the issued and outstanding common shares and Class A common shares of the Company will be cancelled and will be replaced by 50 common shares in the capital of the LL One.

Private Placement Financing

On January 19, 2021, the Company entered into a subscription agreement with Telfer Hanson (2017) Family Trust, an existing shareholder of the Company, for the issuance of 115,625 common shares at a price of \$8.00 per common share for aggregate gross proceeds of \$925,000 (collectively with the Subscription Receipt Financing, the "Private Placement"). The common shares will be issued by the Company and not subject to the escrow restrictions associated with the subscription receipts.

On January 20, 2021, subject to an Agency Agreement, the Company distributed an aggregate of 288,150 subscription receipts at a price of \$8.00 per subscription receipt, (the "Subscription Receipt Financing") for aggregate gross proceeds of \$2,305,200 pursuant to the terms and condition of a subscription receipt agreement dated January 20, 2021 between the Company, Beacon Securities Limited ("Beacon") and the TSX Trust Company, (the "Subscription Receipt Agent") (the "Subscription Receipt Agreement"). The subscription receipts issued under the Subscription Receipt Financing are convertible into common shares upon the closing of the Qualifying Transaction.

In connection with the Private Placement, the Company agreed to pay Beacon: (i) a commission equal to 7.0% of the proceeds generated from the Subscription Receipt Financing, (ii) a work fee equal to \$60,000, (iii) a non-cash fee equal 10.0% of the aggregate Subscription Receipts issued from the Private Placement payable in the form of common share purchase warrants (the "Broker Warrants") and iv) 11,000 common share purchase warrants (the "Work Warrants" and collectively with the Broker Warrants, the "Compensation Warrants"). Each Compensation Warrant is exercisable for one Resulting Issuer Common Share at a price equal to \$0.16 for a period of 2 years from the date of closing of the Qualifying Transaction.

14. Subsequent Events (continued)

Private Placement Financing (continued)

On the closing date of the Subscription Receipt Financing, the gross proceeds, less 50% of Beacon's commission fee and work fee with respect to the Private Placement (the "Escrowed Funds") will be placed in escrow with the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement pending satisfaction of the following escrow release conditions (collectively, the "Escrow Release Conditions"): (i) written confirmation from the Company and LL One that all conditions to the completion of the Proposed Transaction have been satisfied or waived other than the release of the Escrowed Funds; (ii) the receipt of all shareholder and regulatory approvals required for the Proposed Transaction; (iii) the distribution of the common shares underlying the subscription receipts, and the Resulting Issuer Shares to be issued in exchange for the common shares pursuant to the Proposed Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws; (iv) the Resulting Issuer Shares being approved for listing on the Exchange and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; (v) such other release conditions requested by Beacon acting reasonably; and (vi) LL One and Beacon have delivered a release notice (the "Escrow Release Notice") to the Subscription Receipt Agent confirming that the Escrow Release Conditions have been satisfied.

In the event that the Subscription Receipt Agent does not receive the Escrow Release Notice prior to the date that is 90 days following the closing of the Subscription Receipt Financing, or if prior to such time, the Company advises Beacon or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipt Agent will return to holders of subscription receipts their respective pro rata portion of the Escrowed Funds along with accumulated interest thereon. The Company is responsible and liable to the holders of subscription receipts for any shortfall between the aggregate gross proceeds of the Subscription Receipt Financing and the Escrowed Funds.

APPENDIX D

MANAGEMENT'S DISCUSSION & ANALYSIS OF LBCI

Please see attached.

The Limestone Boat Company Inc.
Management Discussion and Analysis
For the 353 day period ending December 31, 2020

The following Management Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the audited consolidated financial statements as at and for the 353 day period ended December 31, 2020, of The Limestone Boat Company Inc. ("Limestone" or the "Company"). The Company's functional currency is U.S. dollars based on the primary economic environment in which the Company operates. The Company's presentation currency is Canadian dollars. The Financial figures presented in the MD&A are in Canadian dollars unless otherwise noted.

International Financial Reporting Standards

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Forward Looking Information

When used in this MD&A, statements to the effect that the Company or its management 'believes', 'expects', 'plans', 'may', 'will', 'projects', 'anticipates', 'predicts', 'intends' or similar statements, including 'potential', 'opportunity', or variations thereof are not statements of historical fact and should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to the management of the Company. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

With respect to the forward-looking information contained in this MD&A, we have made assumptions regarding the following:

- Future boat sales
- The continued ability of the Company to raise capital and the ability of the Company to generate positive operating cash flows
- Ability to continue current development and new product development
- Ability to retain and recruit qualified staff

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties, only some of which are described herein. Many factors could cause the Company's actual results, performance or achievements, or future events or developments, to differ materially from those expressed or implied by the forward-looking information including, without limitation, the following factors:

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- Overall economic conditions
- Reliance on key partners
- Reliance on stability of supply chain continuity
- Increased competition
- Reliance on employees and contractors with specialized skills and knowledge
- Protection of proprietary rights
- Impact of Covid-19 on contract manufacturer and its supply chain

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered, and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of the MD&A.

This MD&A is dated as of February 8, 2021.

Overview:

The Company was incorporated on January 14, 2020. On May 12, 2020, the Company entered into a Design Fee License Agreement with Mark Ellis Design, LLC for the exclusive worldwide rights to manufacture Limestone boats and the exclusive worldwide rights to the use of the name of the Limestone® trademark. For over 35 years, Limestone has been a heritage brand primarily recognized in coastal New England and the great lakes region of Canada and the United States. The model designs were originally developed by renowned yacht designer Mark Ellis of Essex, Connecticut. Ellis' body of work includes an impressive number of highly successful power and sail designs for both series production and custom building. Ellis has been active for 45 years designing and developing the iconic Limestone powerboat brand, as well as many others, including well-known sailboats.

During the 353 days ended December 31, 2020, the Company has been dependent on proceeds from the issuance of Class A common shares through non-brokered private placements to fund the operations of the business. These operations have been focussed on the acquisition of molds and other equipment, and to secure a contract manufacturer, initiate marketing of the Limestone® brand, sign dealers and obtain additional financing working toward completion of a qualifying transaction with a Capital Pool Company ("CPC").

Market & Trends:

The marine industry is subject to shifting trends, spending patterns and economic cycles. The Company's revenue and financial results are linked to these trends. The Company has tailwinds as a result of the marine industry enjoying an 9% year to date growth in new powerboat sales as at September 30, 2020 on a seasonally-adjusted basis compared to a year ago according to the National Marine Manufacturing Association ("NMMA") in the US. Further, the impact of COVID-19 has had a positive impact on the industry, with Brunswick Corporation reporting in its Q3 2020 notes that more than half of all its boat sales in the period were first time buyers and returning lapsed boaters with an average age of boat buyers being the youngest since 2011. This bodes well for the future health of the marine industry, and specifically new boat sales. Social distancing has brought new boaters to the water, which is not expected to change in the coming years. Together, these trends create a very favourable environment for the Company. These positive influences can be reduced somewhat by conditions beyond the Company's

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control. Consumer spending is easily influenced by prevailing economic conditions, unemployment levels, wage variances, fuel prices, consumer credit practices and consumer perceptions.

- As of September 2020, The United States Marine Industry is growing at a rate of 9% year to date according to the NMMA.
- A total of 57,000 outboard fiberglass boats were sold in the United States in 2019.
- There were approximately 37,500 boats in the outboard fiberglass, 20 – 26 foot category sold in the United States during 2019.
- The global Outboard Engine market is expected to grow at a CAGR of 9.6% during 2021-26.
- There is also a strong trend to outboard power as evidence in the following two charts from the NMMA 2019 Annual Statistical Abstract on the US Market.

CHART 1a Outboard boats: retail unit sales and value

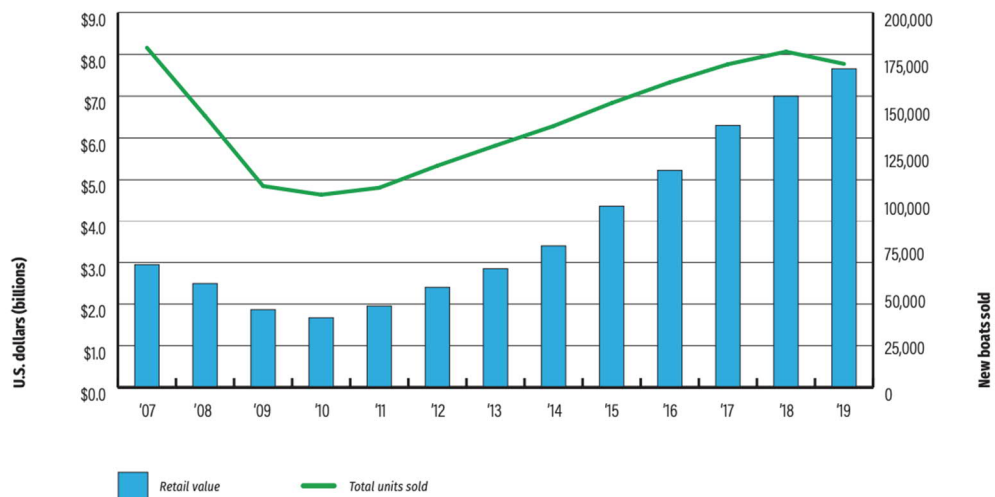
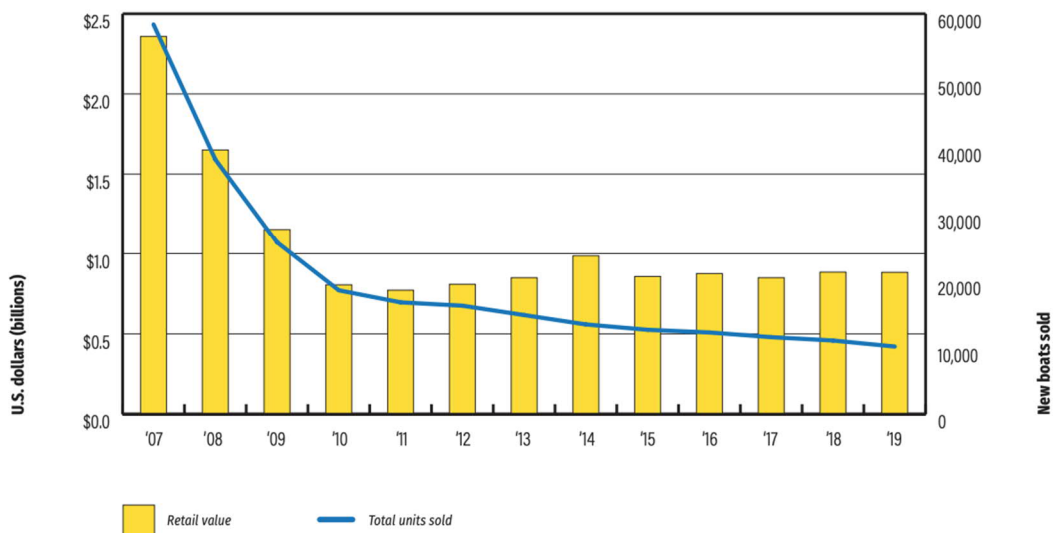


CHART 1f Stern drive boats: retail unit sales and value



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Furthermore, there has also been an industry shift in the size of powerboats. To preface, in the United States according to NMMA, 95% of registered boats remain “small, towable boats under 26’.” When looking at sales of boats under 26’, consumers have opted for boats 21’ and larger. This is most apparent in the dominant fiberglass outboard segment, where boats 21’ and larger owned a 57.8% retail market share in 2019 (up 18% since 2011). In summary, powerboat sales in the 21’ to 26’ length category have seen consistent growth in recent years, while alternative length category sales have either flatlined or declined.

Competitive Conditions:

The market for boats in the Company’s market segment is large and highly competitive. The Limestone brand is recognized as a high-quality product that handles extremely well in “big water”. That reputation has led to Limestone experiencing strong dealer demand, initial boat orders, and pending orders.

The following is a summary of Limestone’s pricing model in the 20’-26’ category relative to whom the Company views as its key competitors, the likes of; Boston Whaler, Grady-White, Scout, Chris Craft, Hunt, Rossiter, and Vanquish.

2021 MSRP Pricing US\$

	L-200 Runabout/ Center Console (200HP)	L-250 Runabout (300HP)	L-270 Cuddy Cabin (Twin 150HP)	L-270 Dual Console (Twin 200HP)	L-290 Cuddy Cabin (Twin 200HP)	L-290 Dual Console (Twin 250HP)
Limestone® Pricing (US\$)	\$ 94,105	\$ 164,057	\$ 204,447	\$ 212,315	\$ 262,256	\$ 273,283
Avg. Comps. (US\$) <small>*Published pricing</small>	\$ 97,016	\$ 169,131	\$ 218,881	\$ 218,881	\$ 281,735	\$ 281,735

Limestone is believed to be well-positioned to capitalize on favorable long-term trends in the marine consumer products segment.

Outlook:

Between September 2020 and December 2020, the Company received orders for 72 boats from 8 dealers. The signed orders represent approximately 58.5% of the forecasted production for 2021. Interest has been expressed for an additional 54 boats for a total of 126 boats which represents approximately 102% of the forecasted production for 2021. The 8 signed dealers represent the Ontario and North East US market where the Limestone® brand has a strong following. The Company is in active negotiations with dealers along the Atlantic coast including Florida. The plan is to have 20 signed dealers in 2021 with each dealer committing to a minimum of 6 boats and grow the number of dealers to 30-35 by 2025 and have an average annual commitment of 10-15 boats per dealer.

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Proposed Transactions:

On October 9, 2020 the Company signed a non-binding Letter of Intent with LL One Inc. ("LL One"), a capital pool company listed on the TSX Venture Exchange ("TSXV"), whereby LL One will acquire all of the issued and outstanding securities of the Company, with the intention that such acquisition will constitute the "Qualifying Transaction" of LL One as such term is defined in Policy 2.4 of the TSXV. In connection with the completion of the acquisition, the Company, following closing of the acquisition, intends to seek the listing of its common shares on the TSXV. Upon the completion of the transaction and upon approval of the Toronto Stock Exchange, the funds held in escrow pursuant to the financing described below will be released to the Company. Subject to the terms of the Letter of Intent, LL One advanced \$25,000 to the Company on October 21, 2020.

LL One Inc. promissory note:

On December 7, 2020, the Company was advanced \$200,000 through the execution of a promissory note with LL One. This promissory note is subordinate to senior debt, non-interest bearing, due on demand, and specifically repayable in the event the qualifying transaction is not completed. The promissory note is secured by a general security agreement which provides LL One with a mortgage, pledge, charge and security interest in the undertaking of the Company and in all of the Company's present and after acquired personal property including in all goods, chattel paper, documents of title, instruments, intangibles, investment property, money and security entitlement now owned or acquired by the Company.

Acquisition Agreement with LL One Inc, and 2790889 Ontario Inc.

Effective November 13, 2020, LL One entered into an Acquisition Agreement (the "Acquisition Agreement") with the Company, and 2790889 Ontario Inc., a wholly-owned subsidiary of LL One, in respect of the completion of an arm's length reverse-takeover transaction of the Company by LL One (the "Proposed Transaction"), which will constitute the completion of LL One's Qualifying Transaction. This agreement supersedes all prior or contemporaneous agreements, understandings and discussions, including the Letter of Intent signed on October 9, 2020. The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature. On February 12, 2021 the Company and LL One entered into an Amendment to the Acquisition Agreement whereby the Closing date was extended to March 15, 2021 from February 15, 2021. Further, on February 17, 2021, the Company received conditional approval from the TSXV on the Proposed Transaction and is in the process of fulfilling these conditions. The Company is in the advanced stages of consummating the terms of the Acquisition Agreement and is expected to conclude no later than March 15, 2021, subject to TSXV final acceptance.

The Proposed Transaction will result in LL One acquiring all of the issued and outstanding securities of the Company in exchange for the issuance of securities of LL One, which will result in the Company becoming a wholly-owned subsidiary of LL One; the existing shareholders of the Company owning a majority of the outstanding LL One common shares (after completion of the Proposed Transaction, referred to herein as the "Resulting Issuer Shares"); and LL One will be renamed "The Limestone Boat Company Limited" (the "Resulting Issuer") or such other name as the Company may determine.

As consideration for the acquisition of all of the outstanding shares of the Company, the issued and outstanding common shares and Class A common shares of the Company will be cancelled and will be replaced by 50 common shares in the capital of the LL One.

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Private Placement Financing:

On January 19, 2021, the Company entered into a subscription agreement with Telfer Hanson (2017) Family Trust, an existing shareholder of the Company, for the issuance of 115,625 common shares at a price of \$8.00 per common share for aggregate gross proceeds of \$925,000 (collectively with the Subscription Receipt Financing, the "Private Placement"). The common shares will be issued by the Company and not subject to the escrow restrictions associated with the subscription receipts.

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In connection with the Private Placement, the Company agreed to pay Beacon: (i) a commission equal to 7.0% of the proceeds generated from the Subscription Receipt Financing, (ii) a work fee equal to \$60,000, (iii) a non-cash fee equal 10.0% of the aggregate Subscription Receipts issued from the Private Placement payable in the form of common share purchase warrants (the "Broker Warrants"), and iv) 11,000 common share purchase warrants (the "Work Warrants" and collectively with the Broker Warrants, the "Compensation Warrants"). Each Compensation Warrant is exercisable for one Resulting Issuer Common Share at a price equal to \$0.16 for a period of 2 years from the date of closing of the Qualifying Transaction.

On the closing date of the Subscription Receipt Financing, the gross proceeds, less 50% of Beacon's commission fee and work fee with respect to the Private Placement (the "Escrowed Funds") will be placed in escrow with the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement pending satisfaction of the following escrow release conditions (collectively, the "Escrow Release Conditions"): (i) written confirmation from the Company and LL One that all conditions to the completion of the Proposed Transaction have been satisfied or waived other than the release of the Escrowed Funds; (ii) the receipt of all shareholder and regulatory approvals required for the Proposed Transaction; (iii) the distribution of the common shares underlying the subscription receipts, and the Resulting Issuer Shares to be issued in exchange for the common shares pursuant to the Proposed Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws; (iv) the Resulting Issuer Shares being approved for listing on the Exchange and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; (v) such other release conditions requested by Beacon acting reasonably; and (vi) LL One and Beacon have delivered a release notice (the "Escrow Release Notice") to the Subscription Receipt Agent confirming that the Escrow Release Conditions have been satisfied.

In the event that the Subscription Receipt Agent does not receive the Escrow Release Notice prior to the date that is 90 days following the closing of the Subscription Receipt Financing, or if prior to such time, the Company advises Beacon or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipt Agent will return to holders of subscription receipts their respective pro rata portion of the Escrowed Funds along with accumulated interest thereon. The Company is responsible and liable to the holders of subscription receipts for any shortfall between the aggregate gross proceeds of the Subscription Receipt Financing and the Escrowed Funds.

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Select Financial Information and Overall Performance:

	353 day period ended December 31, 2020
Salaries and wages	\$ 570,603
Stock based compensation	212,300
Professional fees	607,493
General and administrative expense	117,644
Advertising and promotion	90,116
Foreign exchange loss	18,356
Depreciation of property and equipment	2,230
Operating loss	(1,618,742)
Currency translation adjustment	(28,916)
Comprehensive loss for the period	(1,647,658)
Net loss per share (basic & diluted)	(1.62)

The loss per share is based on the number of common shares outstanding as the Class A common shares would be anti-dilutive.

Total current assets	\$ 424,392
Total assets	1,223,288
Total current liabilities	1,004,631
Total liabilities	1,004,631
Total share capital	218,657

As at December 31, 2020 the Company had cash of \$130,181, negative working capital of \$580,239, short term debt \$225,000, and a deficit of \$1,618,742. Future operations will be dependent on the Company's ability to generate sufficient profit from operations, and/or raise sufficient capital to continue to fund its operations and meet its obligations.

As at December 31, 2020 the Company has not generated any revenue. The Company has acquired the worldwide rights to manufacture and use the Limestone® boats tradename and has entered into a contract manufacturing agreement to produce the line of Limestone® boats. The Company is also in the process of raising additional equity which will be used to fund its growth and operations.

Prior to June 30, 2020 the Company focused its efforts on acquiring intellectual property, the necessary molds and setting up operations. The majority of these activities were funded by a shareholder. In July the Company received its first investment from an arm's length investor through the issuance of Class A common shares and shifted its focus to more normal course operations.

General and administrative expense:

This category of expenses is primarily comprised of general corporate related expenses including interest and bank charges, insurance, rental, travel expenses, office expenses, memberships and dues, delivery, freight and customs and utilities.

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Advertising and promotion:

The Company's marketing efforts are focused on the development and consistent marketing of the brand. The Company participates in the marketing and advertising programs managed by their distributors, as well as support the brand through strong multi-media initiatives. One of the primary means of marketing is by way of boat shows.

Salaries and wages:

This category of expense relates to the employment and related costs for the Company's 5 employees.

Stock based compensation:

This is the expense associated with issuance of stock options to certain directors and a consultant.

Professional fees:

This category of expense relates to management services, consulting, legal and accounting and audit expenses incurred by the Company.

Foreign exchange loss:

This category of expense largely relates to the unrealized foreign exchange loss on the Canadian funds held by the Company at December 31, 2020, as well as Canadian based transactions settled during the period including design, salary, marketing, and legal expenses.

Future income tax recovery

At December 31, 2020, the Company, has unused tax losses for federal income tax purposes of \$1,526,838, which are available to offset future federal taxable income. No deferred tax asset has been recognized in respect of these losses.

Going concern:

The financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. There is a material uncertainty that may cast significant doubt about the appropriateness of using the going concern assumption because the Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash to settle its existing liabilities and fund its strategic business plan. Management believes the going concern assumption is still appropriate for the financial statements but is dependent upon the successful raising of sufficient capital through the pending transactions, as noted in the Outlook section above, and generating sufficient operating income to fund operations. If the going concern assumption were not appropriate for the financial statements, adjustments would be necessary to the carrying value of assets and liabilities, reported expenses and the classifications used in the statement of financial position.

Capital Management:

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its strategy of growth and to maximize the return to its shareholders. The capital structure of the Company consists of

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cash, promissory note payable to LL One Inc., and shareholders' equity. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

Transactions Between Related Parties:

The Company's related party transactions during the period are largely associated with its shareholders.

Key management personnel are also shareholders of the Company. The CEO provides his services through an entity he controls which charges the Company a management fee that amounted to \$106,633 during the period which has been recorded within professional fees. Compensation of other key management personnel amounted to \$450,032 during the period which included salaries in the aggregate amount of \$420,486 and short-term benefits in the amount of \$29,546. These amounts have been recorded within salaries and wages.

An entity that is a shareholder of the Company incurred costs totaling \$334,374 on behalf of the Company. These costs included salaries and wages for key management personnel of \$209,000 and short-term benefits of \$10,450 which are included in the total compensation of other key management personnel figure noted above. The costs also include rent of \$33,000, travel of \$25,200, utilities of \$6,490, yacht design fees of \$7,433, and prepaid design fees of \$34,995. In exchange for these goods and services, the entity received 60,772 Class A common shares. These costs and the corresponding shares have been recorded in the financial statements at the fair value of the goods and services received based on market prices. Additionally, advertising expenses of \$6,363 and office expense of \$1,443 were reimbursed in cash.

The Company made lease payments in the amount of \$5,974 and reimbursed office expenses of \$1,000 to a company controlled by a shareholder during the period.

Additionally, a shareholder provided legal services to the Company in the amount of \$348,826. Of this amount, \$75,000 has been recorded as prepaid costs in connection with the private placement, \$2,449 has been recorded against equity as share issuance costs, and \$271,377 has been expensed to professional fees. This amount is outstanding as at December 31, 2020 and is recorded within accounts payable and accrued liabilities. The outstanding balance is priced on an arm's length basis, is not secured, and is to be settled in cash.

Another shareholder provided consulting services related to financial reporting which were charged to the Company in the amount of \$25,000 through the shareholder's professional corporation. This amount is outstanding as at December 31, 2020 and is recorded within accounts payable and accrued liabilities and professional fees. The outstanding balance is priced on an arm's length basis, is not secured, and is to be settled in cash.

Subsequent to the period end, an existing shareholder invested \$925,000 in common share financing as discussed in the Proposed Transaction section above.

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Risks:

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below.

a) Liquidity risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Given that the Company continues to use cash in operations, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. Refer to note 2(b) in the audit financial statements for details regarding the going concern assumption.

b) Foreign currency risk:

Foreign currency risk arises from the possibility that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expenses are denominated in a foreign currency. Given that the Company's functional currency is US\$, the Company is exposed to foreign currency fluctuations resulting from transactions denominated in CDN\$.

c) Market risks:

The success of the Company's is primarily tied to the size and growth rate of the boating segment of the marine industry. Underlying market conditions are subject to change based on economic conditions, consumer preferences and other factors that are beyond the Company's control, including media attention, which may be positive or negative. An adverse change in size or growth rate of the marine industry segment could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the Company's business is cyclical in nature, and Company's products compete with a variety of other recreational products and activities for consumers' discretionary income and leisure time. Consumer spending habits, including spending on the Company's products, are affected by, among other things, prevailing economic conditions, levels of employment, fuel prices, salaries and wages, the availability of consumer credit, consumer confidence and consumer perception of economic conditions. A general economic slowdown, such as that caused by COVID-19, in any of the Company's targeted markets could decrease demand for its products, which would adversely affect revenue. In addition, an uncertain economic outlook may adversely affect consumer spending habits and customer traffic, which may result in lower revenue. A prolonged economic downturn in any of the Company's target markets could have a material negative impact on its business, financial condition and performance.

d) Third-Party Manufacturing, Transportation and Distribution:

The Company also intends to rely upon one manufacturer, Ebbtide, for the production of all of its products. As a result, any delays or shutdowns that stem from this manufacturer could have a

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significant impact upon the business. Additionally, a potential increase in the cost of manufacturing by this one manufacturer would have a significant adverse impact upon the Company's distribution chain and margins.

The Company intends to operate its business using a supply-chain management system known as "dropshipping" whereby the Company facilitates the delivery of the goods from a third-party manufacturer to a third-party distributor and then to the end-point consumer. The Company does not take physical possession of the goods in its inventory at any point during the ordering or delivery process.

This system will inherently require that the Company rely on the efforts and services of third-party manufacturers, carriers and distributors. If issues arise at any step of the supply chain, it could cause logistical problems and delays in customers obtaining their orders beyond the direct control of the Company. There can be no assurance that the third-party manufacturers will continue to reliably manufacture products at the levels of quality or in the quantities required, nor can there be any assurance that the third-party carriers and distributors fulfill their obligations pursuant to their committed timelines. Any insufficiency or delay by third-party services would adversely affect the Company's financial performance.

e) Protection of Intellectual Property

The Company's products are not currently protected by patents. The Company maintains an active research and development program that is devoted to developing efficiencies in design, production and performance of its products. The Company protects its investment in research, as well as the techniques it uses to improve products, by relying on trade secret and trademark laws.

Notwithstanding the Company's efforts, there can be no assurance that efforts to protect Limestone's and the Resulting Issuer's trade secrets and trademarks will be successful. The Company intends to maintain and keep current all of its trademark registrations and to pay all applicable renewal fees as they become due. Beyond merely its trademarks, if for any reason the Resulting Issuer is unable to maintain the Company's current or its future intellectual property rights, its sales of any related products could be materially and negatively affected.

f) Laws and regulations:

The Company is subject to all of the accompanying risks that come with complying with the laws and regulations of the countries in which the products are intended to be produced and sold. This includes the need to receive licensing approval as well as a responsibility to be compliant with the production requirements of various countries. By operating in both the United States and Canada, the Company will be obligated to comply with both U.S. and Canadian regulatory and legal regimes.

g) COVID-19:

The COVID-19 pandemic may adversely affect, the operation of our manufacturing partner, and those of our dealers and suppliers, thereby adversely affecting our business, financial condition and results of operations.

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The COVID-19 pandemic has significantly impacted health and economic conditions throughout Canada, the United States and the world. Consumer fear about becoming ill with the virus and recommendations and/or mandates from federal, provincial, state and local authorities to avoid large gatherings of people or self-quarantine have been imposed.

While we cannot predict the ultimate impact of the COVID-19 virus on our business at this time, the pandemic and related efforts to mitigate the pandemic may impact our business in a number of ways, including but not limited to:

- decreasing consumer confidence as a result of the economic impact of the pandemic, which could result in a decrease in consumer demand for recreational boats;
- disrupting our contract manufacturer's processes
- adversely impacting the financial health of our dealers who typically require financing to purchase our boats;
- adversely impacting the business of our suppliers, which could result in among other things, delays for delivery of raw materials and components needed for the production of our boats;
- impacting our contract manufacturer's ability to maintain its workforce during this uncertain time;
- Any or all of these items may occur, which individually or in the aggregate, may have a material adverse effect on our business, financial condition, results of operations and cash flows. These risks could accelerate or intensify depending on the severity and length of the pandemic.

The ultimate magnitude of COVID-19, including the extent of its impact on our financial condition and results of operations, which could be material, will depend on all of the factors noted above, including other factors that we may not be able to forecast at this time. While we expect the impacts of COVID-19 to have an adverse effect on our business, financial condition and results of operations, we are unable to predict the extent of these impacts at this time.

Off-Balance Sheet Arrangements:

a) Design Fee License Agreement:

On May 12, 2020, the Company entered into a design fee license agreement with Mark Ellis Design, LLC for the exclusive worldwide rights to manufacture Limestone boats and the exclusive worldwide rights to the use of the name of the Limestone trademark. This agreement has an initial term of twenty years and will automatically renew for successive terms of twenty years unless the Company elects not to renew. This agreement requires the Company to pay monthly design fees in an amount equal to the product of revenue from the sale of products in a given month and a prescribed rate based on the type of product sold and the volume of sales. As at December 31, 2020, an initial advance of \$25,000 USD was paid under the design fee license agreement. This amount is recorded within prepaid expenses and deposits.

b) Consulting Services Agreement

On August 28, 2020, the Company entered into an agreement with Mark Ellis, the original designer of Limestone boats, for consulting services associated with mentorship on the Limestone brand, design counsel, and marketing input and support on an as requested basis. The term of the agreement is two years and has a total fee of \$50,000 USD which is to be paid in monthly installments

The Limestone Boat Company Inc.
Management Discussion and Analysis
For the 353 day period ending December 31, 2020

of \$2,083 USD. For the 353 day period ended December 31, 2020, \$11,007 has been expensed and included within professional fees.

c) Manufacturing Agreement

On September 3, 2020, the Company entered into an agreement with a third party located in Tennessee to manufacture and build certain boats to the Company's specification. The agreement has a fixed term of three years and will automatically renew for successive terms of one year, unless terminated by either party. Commencing on November 1, 2020, or such other date as may be agreed by the parties, and continuing throughout the term of the agreement, the Company has agreed to order a minimum of the lesser of i) 30% of the estimated annual build forecast on an annual basis; and ii) four boats per month.

As the Company submits each boat order, they are required to deposit an amount of \$3,000 USD with the manufacturer. As at December 31, 2020, no boat orders have been submitted to the manufacturer. The ultimate cost for each boat order is based on a prescribed formula that applies a markup to actual costs incurred in the manufacturing of each boat. The Company also is responsible for costs incurred by the manufacturer in connection with preparing the models for production. The Company is also responsible for reimbursing the manufacturer for all direct costs, including material costs and labor costs incurred in the construction of new molds and modifications. Accounts payable and accrued liabilities includes \$25,456 associated with the reimbursement of costs incurred. These costs have been recorded as an addition to molds within property and equipment as they are directly attributable to bringing the purchased molds to the condition necessary for them to be capable of operating in the manner intended by management.

d) Marine Dealer Financing Arrangement with Northpoint Commercial Finance

On November 23, 2020, the Company entered into a series of agreements with Northpoint Commercial Finance Canada Inc. and Northpoint Commercial Finance LL (collectively "NCF") through which the Company has been approved for a US\$7.5 million floor planning facility (the "NCF Facility") to support the sale of Limestone boats to the Company's dealers. Seven days after receiving a sales invoice from the Company, NCF will remit funding for the full invoice amount. In turn, the dealers will be required to make payments to NCF based on their separate financing terms. As at December 31, 2020, no sales invoices have been issued to dealers, nor has funding been requested from NCF. In connection with the NCF Facility, the Company has executed repurchase agreements with NCF. If a dealer defaults on their payments to NCF, the Company will be required to repurchase the associated boat(s) from NCF. In order to get access to the NCF Facility, the Company will be required to issue two standby letters of credit in the amount of \$500,000, which will each activate financing of US\$3.75 million. The letters of credit are issued as, and constitute, security for all obligations of the Company to NCF.

On January 25, 2021, an irrevocable standby letter of credit in the amount of \$500,000 was issued on behalf of the Company to NCF in connection with the floor planning facility. The letter of credit bears interest at a rate of 2.80% per annum.

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Outstanding share data

As of December 31, 2020, the Company had 1,000,000 Common Shares outstanding.

The Company also had 310,772 Class A Common Shares outstanding per share.

The Company closed its Subscription Receipt financing on January 20, 2021 for gross proceeds of \$2,305,200 and on January 19, 2021 the Company closed a common share financing of 115,625 common shares for gross proceeds of \$925,000.

"Scott Hanson"
Scott Hanson, CEO

"Donald Page"
Donald Page, CFO

APPENDIX E

PRO FORMA FINANCIAL STATEMENTS OF RESULTING ISSUER

Please see attached.

The Limestone Boat Company Limited (formerly LL One Inc.)
Pro Forma Consolidated Statement of Financial Position
As at December 31, 2020
(Unaudited)
(Expressed in Canadian Dollars)

	LL One Inc.	The Limestone Boat Company Inc.	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	\$	\$		\$	\$
Assets					
Current					
Cash	331,521	130,181	4a	925,000	3,081,459
			4b	2,083,836	
			4h	(289,079)	
			4i	(100,000)	
Advance to Limestone	225,000	-	4f	(225,000)	-
Prepaid expenses	11,752	176,393	4g	(75,000)	113,145
HST receivable	-	117,818		-	117,818
Total current assets	568,273	424,392		2,319,757	3,312,422
Property and equipment	-	798,896		-	798,896
Total assets	568,273	1,223,288		2,319,757	4,111,318
Liabilities and shareholders' equity					
Liabilities					
Current					
Accounts payable and accrued liabilities	11,743	779,631		-	791,374
Promissory note payable to LL One Inc.	-	225,000	4f	(225,000)	-
Shareholders' equity					
Share capital	721,058	1,654,015	4a	925,000	6,085,540
			4b	(221,364)	
			4b	(165,232)	
			4b	2,305,200	
			4d	(721,058)	
			4c	1,952,000	
			4g	(75,000)	
			4h	(289,079)	
Contributed surplus	109,951	212,300	4d	(109,951)	321,650
			4c	109,350	
Warrants issued	-	-	4b	165,232	195,572
			4c	30,340	
Accumulated other comprehensive loss	-	(28,916)			(28,916)
Accumulated deficit	(274,479)	(1,618,742)	4d	274,479	(3,253,902)
			4e	(1,535,160)	
			4i	(100,000)	
Total shareholders' equity	556,530	218,657		2,544,757	3,319,944
Total liabilities and shareholders' equity	568,273	1,223,288		2,319,757	4,111,318

1. Proposed Transaction

Effective November 13, 2020, LL One Inc. ("LLO" or the "Company") entered into a Acquisition Agreement (the "Acquisition Agreement") with The Limestone Boat Company Inc. ("LBCI"), and 2790889 Ontario Inc. ("LL One Subco"), a wholly-owned subsidiary of LLO in respect of the completion of an arm's length reverse-takeover transaction of LBCI by LLO (the "Proposed Transaction"), which will constitute the completion of LLO's Qualifying Transaction (as such term is defined in Policy 2.4 – Capital Pool Companies of Corporate Finance Manual of the TSX Venture Exchange (the "Exchange")). The Proposed Transaction is contemplated as an amalgamation under the Business Corporations Act (Ontario) between LL One Subco and LBCI.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature. On February 12, 2021 LBCI and LLO entered into an Amendment to the Acquisition Agreement whereby the Closing date was extended to March 15, 2021 from February 15, 2021. Further, on February 17, 2021 the Company received conditional approval from the TSXV on the Proposed Transaction and is in the process of fulfilling these conditions. The Company is in the advanced stages of consummating the terms of the Acquisition Agreement and is expected to conclude no later than March 15, 2021, subject to TSXV final acceptance.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Acquisition Agreement and the Amendment made to the Acquisition Agreement on February 12, 2021, LLO and LBCI anticipate that the Proposed Transaction will be completed no later than March 15, 2021. There can be no assurance that the Proposed Transaction or Private Placement will be completed.

Trading in the common shares of LLO (the "LLO Common Shares") is currently halted in accordance with the policies of the Exchange and will remain halted until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

The Proposed Transaction will result in LLO acquiring all of the issued and outstanding securities of LBCI in exchange for the issuance of securities of LLO, which will result in LBCI becoming a wholly-owned subsidiary of LLO; the existing shareholders of LBCI owning a majority of the outstanding LLO Common Shares (after completion of the Proposed Transaction, referred to herein as the "Resulting Issuer Shares"); and LLO will be renamed "The Limestone Boat Company Limited" (the "Resulting Issuer") or such other name as LBCI may determine.

As consideration for the acquisition of all of the outstanding shares of LBCI, the issued and outstanding common shares of LBCI ("LBCI Common Shares") and Class A common shares of LBCI ("LBCI Class A Common Shares") will be cancelled and replaced by 50 common shares in the capital of the Company (the "Exchange Ratio") (note 5).

There are currently 40,000 fully vested LBCI stock options outstanding (note 6). Holders of these options will receive an aggregate of 2,000,000 LLO stock options, pursuant to the Exchange Ratio.

Assuming aggregate gross proceeds from the Private Placement described below of \$3,230,200, there will be 97,927,350 Resulting Issuer Shares outstanding upon closing of the Proposed Transaction, with existing shareholders of LLO holding approximately 12.46% of the outstanding Resulting Issuer Shares and former shareholders of LBCI holding approximately 87.54% of the outstanding Resulting Issuer Shares. The number of the LLO common shares to be issued by LLO to acquire LBCI is anticipated to be 85,727,350.

The Private Placement: Concurrent Equity Offering and Subscription Receipt Offering

The Private Placement is in support of the Proposed Transaction and is integral in the completion of the Qualifying Transaction.

On January 19, 2021 LBCI entered into a subscription agreement with Telfer Hanson (2017) Family Trust, an existing shareholder of LCBI, for the issuance of 115,625 LBCI Common Shares at a price of \$8.00 per LBCI Common Share for aggregate gross proceeds of \$925,000 (the "Concurrent Equity Offering").

On January 20, 2021, LBCI entered into an agency agreement with Beacon Securities Limited ("Beacon") and the Company, (the "LBCI Private Placement Agency Agreement") pursuant to which Beacon agreed to, among other things, act as exclusive agent for LBCI's proposal to complete a private placement financing on a "best-efforts basis" for a minimum of 125,000 and a maximum of 375,000 LBCI Subscription Receipts exclusive of an over-allotment option granted to Beacon, at a price of \$8.00 per LBCI Subscription Receipt for aggregate gross proceeds of up to \$3,000,000 (the "LBCI Subscription Receipt Financing").

On January 20, 2021, LBCI distributed an aggregate of 288,150 LBCI Subscription Receipts at a subscription price of \$8.00 per LBCI Subscription Receipt for aggregate gross proceeds of \$2,305,200 pursuant to the terms and condition of a subscription receipt agreement dated January 20, 2021 between LBCI, Beacon and TSX Trust Company, (the "LBCI Subscription Receipt Agent") (the "LBCI Subscription Receipt Agreement"). The LBCI Subscription Receipts issued under the LBCI Subscription Receipt Financing are convertible into LBCI Common Shares upon the closing of the Qualifying Transaction.

In the event that the LBCI Subscription Receipt Agent does not receive the Escrow Release Notice prior to April 20, 2021, or if prior to such time, LBCI advises Beacon that it does not intend to satisfy the Escrow Release Conditions, the LBCI Subscription Receipt Agent will return to holders of Subscription Receipts their respective pro rata portion of the Escrowed Funds along with accumulated interest thereon. LBCI is responsible and liable to the holders of Subscription Receipts for any shortfall between the aggregate gross proceeds of the Subscription Receipt Financing and the Escrowed Funds.

In connection with the LBCI Subscription Receipt Financing, LBCI agreed to pay Beacon: (i) a commission equal to 7.0% of the proceeds generated from the LBCI Subscription Receipt Financing, (ii) a work fee equal to \$60,000, (iii) a non-cash fee equal 10.0% of the aggregate Subscription Receipts issued from the LBCI Subscription Receipt Financing payable in the form of common share purchase warrants (the "LBCI Broker Warrants") and iv) 11,000 common share purchase warrants (the "LBCI Work Warrants" and collectively with the LBCI Broker Warrants, the "LBCI Compensation Warrants"). Each LBCI Compensation Warrant is exercisable for one Resulting Issuer Common Share at a price equal to CAD \$0.16 for a period of 2 years from the date of closing of the Qualifying Transaction.

On the closing date of the LBCI Subscription Receipt Financing, the gross proceeds of the LBCI Subscription Receipt Financing, less 50% of Beacon's commission fee and work fee with respect to the Private Placement (the "Escrowed Funds") were placed in escrow with the LBCI Subscription Receipt Agent pursuant to the terms of the LBCI Subscription Receipt Agreement pending satisfaction of the following escrow release conditions (collectively, the "Escrow Release Conditions"): (i) written confirmation from LBCI and LL One that all conditions to the completion of the Transaction have been satisfied or waived other than the release of the Escrowed Funds; (ii) the receipt of all shareholder and regulatory approvals required for the Transaction; (iii) the distribution of the LBCI Common Shares underlying the Subscription Receipts, and the

Resulting Issuer Common Shares to be issued in exchange for the LBCI Common Shares pursuant to the Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws; (iv) the Resulting Issuer Common Shares being approved for listing on the Exchange and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; (v) such other release conditions requested by Beacon acting reasonably; and (vi) LL One and Beacon have delivered a release notice (the "Escrow Release Notice") to the LBCI Subscription Receipt Agent confirming that the Escrow Release Conditions have been satisfied.

2. Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position of LLO (the "Pro Forma Financial Statement") has been prepared by the management of LBCI for inclusion in the LL One filing statement (the "Filing Statement") dated February 8, 2021, in connection with the Proposed Transaction.

The Pro Forma Financial Statement has been prepared for illustrative purposes only and gives effect to the Proposed Transaction and pursuant to the assumptions and adjustments as further described herein. The Pro Forma Financial Statement as at December 31, 2020 gives effect to the Proposed Transaction as if it had occurred as at December 31, 2020 whereby LL One will acquire LBCI in a share for share exchange. Since LBCI will control the majority of the shares of LL One following the transaction, the transaction is being accounted for as an RTO, whereby LL One is the accounting acquiree. As LL One has no operations and LBCI has not made a significant acquisition or disposition and does not propose to make one in connection with the RTO, a pro forma consolidated income statement is not required.

The Pro Forma Financial Statement is not necessarily indicative of the financial position that would have been achieved if the Proposed Transaction had been completed on the date presented, nor does it claim to project the financial position of the consolidated entities as of any future date. The actual calculation and allocation of the purchase price will be based on the assets purchased and liabilities assumed at the effective date of the acquisition and other information at that date. Accordingly, the actual amounts for each of the assets and liabilities will vary from the pro forma amount and the variation may be material.

The Pro Forma Financial Statement has been prepared based on financial statements that are prepared in accordance with International Financial Reporting Standards ("IFRS"), from information derived from the unaudited interim statement of financial position of LLO as at December 31, 2020 and audited consolidated statement of financial position of LBCI as at December 31, 2020.

The Pro Forma Financial Statements should be read in conjunction with: (i) the description of the transaction in the Filing Statement, and (ii) the historical financial statements, together with the notes thereto, of LLO and LBCI referred to above, which are included in the Filing Statement.

Management believes the Pro Forma Financial Statement includes all material adjustments necessary for a fair presentation of the transactions as described below.

3. Significant Accounting Policies

The accounting policies used in preparing the Pro Forma Financial Statement are set out in LBCI's audited consolidated financial statements as at and for the period of 353 days ended December 31, 2020. In preparing the Pro Forma Financial Statement, a review of publicly available information was undertaken to identify accounting policy differences between LLO and LBCI. While management believes that the

significant accounting policies of LLO and LBCI are consistent in all material respects, accounting policy differences may be identified upon completion of the Proposed Transaction.

On completion of the Proposed Transaction, LLO will be the legal parent of LBCI. However, as a result of the Proposed Transaction, control of LLO will pass to the former shareholders of LBCI. This type of share exchange is referred to as a reverse acquisition.

The acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* since LLO's activities prior to the acquisition were limited to the management of cash resources and the maintenance of its listing, and accordingly, did not constitute a business. As LBCI has granted equity instruments in return for goods or services received, the arrangement falls under the scope of IFRS 2 *Share-based Payments*.

4. Pro Forma Assumptions and Adjustments

The key terms of the Proposed Transaction, which are more clearly laid out in the Filing Statement and the Acquisition Agreement dated November 13, 2020, between LLO and LBCI are as follows:

- **Amalgamation:** Pursuant to the Acquisition Agreement, a three-cornered amalgamation shall be completed whereby LBCI will amalgamate with LL One Subco to form Amalco.
- **LBCI Share Exchange:** Pursuant to the above-mentioned amalgamation, all of the LBCI Shares will be cancelled and in exchange, 50 LLO common shares will be issued for such LBCI shares so cancelled.
- **LBCI Option and Warrant Exchange:** Each option or warrant of LBCI shall be exchanged for a corresponding option or warrant of LLO on substantially the same economic terms and conditions as the original option or warrant of LBCI based on the Exchange Ratio.
- **Name Change:** LLO will change its name to "The Limestone Boat Company Limited." in connection with the closing of the Proposed Transaction and will request a stock symbol reservation with the TSXV under separate cover.
- **The Private Placement:** LBCI concurrently raised gross proceeds of \$3,230,200 by way of a private placement of LBCI Subscription Receipts and LBCI Common Shares at a price of \$8.00 per Subscription Receipt or Common Share. This will result in the issuance of 20,188,750 Resulting Issuer Shares and 1,990,750 agent warrants exercisable for common shares in the Resulting Issuer.

On completion of the Proposed Transaction, LLO will be the legal parent of LBCI, however, as a result of the Proposed Transaction, LBCI will control the majority of the shares of the Resulting Issuer and therefore be the accounting acquirer. This type of share for share exchange is referred to as a reverse acquisition. Since the Proposed Transaction does not meet the definition of a business combination in accordance with IFRS 3 *Business Combinations*, the Proposed Transaction will be accounted for as an asset acquisition as follows:

- The identifiable assets and liabilities of LLO are recognized at fair value at the acquisition date; and
- The excess of the fair value of the shares deemed to have been issued over the fair value of the identifiable assets and liabilities of LLO is charged to profit or loss as a listing expense in accordance with IFRS 2 *Share-based Payments*.

The capital structure recognized in the pro forma statement of financial position will be that of the LLO, but the dollar amount of the issued share capital in the pro forma consolidated statement of financial position prior to the acquisition will be that of LBCI, including the value of shares issued prior to or as part of the transaction.

The Pro Forma Financial Statement reflects the following transactions:

- a) Concurrent Equity Offering: On January 19, 2021 LBCI completed the Concurrent Equity Offering, consisting of gross proceeds of \$925,000.
- b) LBCI Subscription Receipts Financing: On January 20, 2021, LBCI completed the Subscription Receipt Financing, consisting of gross proceeds of \$2,305,200, reduced by the cash commission payable to the Agents of \$221,364, for a net amount of \$2,083,836. This commission has been recognized as a reduction to cash, with a corresponding decrease to share capital.

The Agent will also be issued 28,815 LBCI Broker Warrants, being 10% of the aggregate subscription receipts issued, and an additional 11,000 LBCI Work Warrants, exercisable for shares in the Resulting Issuer. The fair value of these Agent Warrants of \$165,232 was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate: 0.23%; Stock price: \$0.16; Expected life of options: 2 years; Expected stock price volatility (based on comparable companies): 100%; Dividend yield: 0%; and Exercise price: \$0.16 per share. These warrants have been recognized as a reduction to share capital and increase to warrants issued.

- c) Fair value of consideration issued: In the accounting for the reverse takeover, consideration is determined by reference to the fair value of the number of shares the legal subsidiary, being LBCI, would have issued to the legal parent entity, being LLO, to obtain the same percentage ownership interest of 12.46% in the Resulting Issuer. As a result, the consideration is measured at the value of the 12,200,000 shares on a post-consolidation basis that would have been issued by LBC if it were the legal parent and acquirer. The fair value of the LBCI Shares was determined based on the Subscription Receipts Financing.

As at December 31, 2020, the fair value of the consideration deemed to be issued by LBCI in the RTO was estimated to be as follows:

	\$
LBCI common shares issued	1,952,000
Plus: Fair value of LLO options assumed	88,521
Plus: Fair value of LLO options assumed for a LLO Director	20,829
Plus: Fair value of LLO warrants assumed	30,340
Fair value of Consideration Issued	<u>2,091,690</u>

The fair value of the LLO stock options, excluding the options assumed for a LLO Director, was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate: 0.23%; Stock price: \$0.16; Expected life of options: 1 year; Expected stock price volatility (based on comparable companies): 100%; Dividend yield: 0%; and Exercise price: \$0.10 per share.

The fair value of the stock options assumed for a LLO Director, was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate: 0.31%; Stock price: \$0.16; Expected life of options: 3.85 years; Expected stock price volatility (based on comparable companies): 100%; Dividend yield: 0%; and Exercise price: \$0.10 per share.

The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate: 0.23%; Stock price: \$0.16; Expected life of warrants: 0.85 years; Expected stock price volatility (based on comparable companies): 100%; Dividend yield: 0%; and Exercise price: \$0.10 per share.

d) Elimination of LLO's equity: LLO's share capital, contributed surplus and accumulated deficit are eliminated on consolidation.

e) Reverse takeover listing expense: The difference between the fair value of the consideration (i.e. the fair value of the LBCI common shares, stock options, and warrants issued to effect the RTO) and the fair value of LLO's net identifiable assets acquired is recognized as a the listing expense which is reflected as an increase in shareholders' deficit.

	\$
Fair value of consideration Note 4 c)	2,091,690
Less: Fair value of LLO net identifiable assets	<u>556,530</u>
Reverse takeover listing expense	1,535,160

f) Intercompany elimination: Elimination of intercompany balances between LBCI and LLO.

g) Private placement costs to be incurred : Reclassification of costs directly associated with the private placement from prepaid expenses to present as reduction in share capital.

h) Estimated financing costs : Estimated costs of \$289,079 directly associated with the Private Placement shown as equity issuance costs i.e. reduction in share capital.

i) Estimated professional fees : Estimated transaction costs (legal, accounting and other professional fees) of \$100,000 associated with the Qualifying Transaction. These estimated transaction fees have been recognized as an increase in shareholders' deficit.

j) Corporate tax rate: LBCI and LLO are both domiciled in Ontario, Canada. The statutory tax rate applicable to both entities is 26.5%. As at the date of these pro forma financial statements, the effective tax rate applicable to the Resulting Issuer is 0%. LBCI's interim consolidated financial statements include the accounts of The Limestone Boat Company Inc. and its subsidiary, Limestone US, Inc. For the purposes of these unaudited pro forma consolidated statements, Limestone US Inc. has limited activity and therefore the estimated tax impact is not significant.

5. Share Capital

A reconciliation of the number of shares outstanding is as follows:

	# of Shares
Total LBCI Common Shares issued as at December 31, 2020	1,000,000
Total LBCI Class A Common Shares issued as at December 31, 2020	310,772
LBCI Common Shares as per the Concurrent Equity Offering	115,625
LBCI Common Shares as per the Subscription Receipt Financing	288,150
Total pro forma LBCI common shares expected to be issued prior to LBCI Share Exchange	1,714,547
Exchange Ratio	50
Total LLO Common Shares expected to be issued to LBCI shareholders	85,727,350
Existing LLO Common Shares as at December 31, 2020	12,200,000
Total expected LLO Common Shares following the LBCI Share Exchange	97,927,350

6. Stock Options

A reconciliation of the number of stock options outstanding is as follows:

	# of Options
LBCI stock options outstanding as at December 31, 2020	40,000
Exchange Ratio	50
Post transaction LLO stock options reserved for issuance to holders of LBCI stock options	2,000,000
Existing LLO stock options as at December 31, 2020	1,215,000
Total stock options post transaction	3,215,000

7. Warrants

A reconciliation of the number of warrants outstanding is as follows:

	# of Warrants
LBCI pro forma warrants as at December 31, 2020	39,815
Exchange Ratio	50
LBCI warrants post transaction	1,990,750
Existing LLO warrants as at December 31, 2020	370,000
Total warrants post transaction	2,360,750

APPENDIX F

CERTIFICATE OF ISSUER

LL ONE INC.

DATED February 23, 2021.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of LL One Inc. assuming completion of the Transaction.

(signed) "Alan Gertner"

Alan Gertner
Chief Executive Officer

(signed) "Balram Vaswani"

Balram Vaswani
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Russell Wilson"

Russell Wilson
Director

(signed) "Joey Houssian"

Joey Houssian
Director

APPENDIX G

CERTIFICATE OF TARGET COMPANY

LIMESTONE BOAT COMPANY INC.

DATED February 23, 2021.

The foregoing document as it relates to Limestone Boat Company Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Limestone Boat Company Inc.

(signed) "Scott Hanson"

Scott Hanson
Chief Executive Officer

(signed) "Donald Page"

Donald Page
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Telfer Hanson"

Telfer Hanson
Chairman of the Board

(signed) "Charles Pennock"

Charles Pennock
Director

APPENDIX H

ACKNOWLEDGEMENT OF PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or otherwise identified by the Exchange, from time to time.

Dated February 23, 2021.

LL ONE INC.

By: (signed) "Alan Gertner"
Name: Alan Gertner
Title: Chief Executive Officer and Director