

*A copy of this preliminary prospectus has been filed with the securities regulatory authority in Ontario but has not yet become final for the purpose of the sale of QCAD Tokens. Information contained in this preliminary prospectus may not be complete and may have to be amended. The QCAD Tokens may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority.*

*No securities regulatory authority has expressed an opinion about these QCAD Tokens and it is an offence to claim otherwise.*

## PRELIMINARY PROSPECTUS

*Continuous Offering*

June 10, 2025



### QCAD DIGITAL TRUST as the issuer of QCAD TOKENS

QCAD Tokens are blockchain-based tokens that fall within the category of crypto assets defined by Canadian securities regulators as Value-Referenced Crypto Assets or “VRCAs”. A VRCA is a digital asset that is designed to maintain a stable value over time by referencing the value of an equivalent value of a fiat currency or any other value or right, or combination thereof. Each QCAD Token is issued and redeemed in exchange for one Canadian dollar (“1 CAD”) and is designed to maintain a stable value equivalent to 1 CAD. There is no minimum or maximum number of QCAD Tokens that may be issued.

QCAD Tokens are issued by QCAD Digital Trust (the “**Issuer**”). The Issuer is a special purpose trust established under the laws of the province of Ontario. Odyssey Trust Company is the trustee of the Issuer, and the provisions and features of the trust are set forth in a trust agreement (the “**Trust Agreement**”). The Issuer has been established for the sole purpose of: (i) holding registered title to the Trust Property; and (ii) maintaining the Reserve Assets (as all such terms are defined herein). This prospectus has been filed in order to seek to comply with a unique interim regulatory framework for VRCAs, which is currently only applicable in Canada. This prospectus provides important information to end users about the Issuer and the key features of QCAD Tokens, including their rights and risks when trading QCAD Tokens.

**QCAD Tokens are not the same as, and are riskier than, holding cash in a bank account or in an account with a crypto asset trading platform. Although a QCAD Token may be referred to as a “stablecoin”, there is no guarantee that QCAD Tokens will maintain a stable value when traded on secondary markets. Only Qualified Holders are permitted to redeem QCAD Tokens for Canadian dollars directly from the Issuer. Further, while the Issuer shall seek to ensure that the nominal (face) value of Reserve Assets is always equivalent to the value of QCAD Tokens in circulation, there is no guarantee that the liquidation value of the Reserve Assets will be adequate to satisfy all redemption requests.**

Stablecorp Digital Currencies Inc. (the “**Servicer**”), a corporation established under the federal laws of Canada and which is based in Toronto, Ontario, is the administrator and servicing agent of the Issuer pursuant to a servicing and administration agreement (the “**QCAD Servicing Agreement**”). Pursuant to the QCAD Servicing Agreement, the Servicer is responsible for managing the QCAD Program (as defined herein), which includes overseeing the issuance and redemption of QCAD Tokens, which activities are also referred to and result in the “minting” and “burning” of

QCAD Tokens. The Servicer is a money services business permitted to conduct virtual currency dealings and is registered with the Financial Transactions and Reports Analysis Centre of Canada. The Servicer is a wholly owned subsidiary of Canada Stablecorp Inc. (“**Stablecorp**”), a corporation established under the federal laws of Canada.

Stablecorp is a Canadian technology company that leverages blockchain technology to enhance the financial services and payment experience, as well as the associated payment support solutions for individual and corporate users.

See “Organization and Management Details” for more information regarding the Issuer, the Servicer and Stablecorp.

### **Purpose of QCAD Tokens**

QCAD Tokens are multi-chain digital assets currently available on the Ethereum, Solana, Algorand and Stellar blockchains. QCAD Tokens may also become available on other blockchains that meet the technical specifications and other due diligence requirements of the Servicer. QCAD Tokens can be used as a method of payment, as a store of value or to facilitate the trading, borrowing and lending of other digital assets. Other associated uses of QCAD Tokens may include:

1. as an “onchain” (recorded to the associated blockchain) foreign exchange solution enabling more efficient global flow of assets;
2. as a Canadian transfer/payment rail that is uniquely affordable and fast; and
3. as a CAD-denominated bridge asset enabling the efficient and timely transfer of value between digital assets and fiat currency.

QCAD Tokens are intended to provide the holders thereof with the ability to conduct transactions within a digitally native environment using blockchain technology to securely record the transactions in an immutable, transparent and auditable manner.

It is possible that future regulatory changes in Canada may affect the manner in which Fiat-Backed Crypto Assets, including QCAD Tokens, are regulated. There is no guarantee that all use cases for QCAD Tokens or Fiat-Backed Crypto Assets will achieve mainstream adoption. See “Risk Factors – Risks Associated with Holding and Using Digital Assets – Uncertain Regulatory Framework”.

### **Purchase and Redemption of QCAD Tokens**

QCAD Tokens are offered on a continuous basis and there is no minimum or maximum number of QCAD Tokens that may be issued. Authorized Participants (as defined herein) will be able to purchase QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis (i.e., 1 QCAD is equal to 1 CAD). Similarly, Qualified Holders (as defined herein) will be able to redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis. QCAD Tokens are divisible and can be purchased and redeemed in increments of up to two decimal places. The Issuer will direct the Servicer to “mint” or “burn” (as applicable) the appropriate number of QCAD Tokens in accordance with the QCAD Servicing Agreement.

For every QCAD Token to be minted, an equivalent amount in fiat currency is transferred to the Reserve Account (as defined herein). Once the fiat currency has been confirmed as received in the Reserve Account, the equivalent amount of QCAD Tokens are created on the public blockchain, in a process known as “minting”. No QCAD Token will ever be minted prior to the fiat currency being confirmed as received in the Reserve Account.

For every QCAD Token redeemed, an equivalent amount of QCAD Tokens will be permanently destroyed in a process known as “burning”. Following the burning process, the equivalent amount of fiat currency will be transferred to the Authorized Participant or Qualified Holder. No fiat currency will ever be transferred to an Authorized Participant or Qualified Holder from the Reserve Account without confirmation that a corresponding number of QCAD Tokens have been burned.

See “Purchases of QCAD Tokens – Purchasing QCAD Tokens” and “Redemption of QCAD Tokens – Redemptions by Qualified Holders” for more details.

### **Additional Considerations**

**No underwriter has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus.** The Issuer has received an exemption from the requirement to include a certificate of an underwriter in this prospectus. Authorized Participants are not underwriters in connection with the distribution of QCAD Tokens under this prospectus.

**QCAD Tokens are not insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime and therefore all redemptions of QCAD Tokens will be dependent upon the adequacy of the Reserve Account and the ability of the Servicer to process redemptions. Market conditions may also make it difficult or impossible for the Servicer to redeem QCAD Tokens in a timely manner. QCAD Holders are not protected by deposit insurance.**

The description of QCAD Tokens in this prospectus does not apply to any “QCAD” issued prior to the date of the prospectus. As such, holders of those tokens must contact Stablecorp to arrange for those tokens to be redeemed and burned.

**For a discussion of the risks associated with a purchase of QCAD Tokens, see “Risk Factors” below.**

QCAD Tokens are not a “qualified investment” within the meaning of the Tax Act for Registered Plans.

Additional information about QCAD Tokens is available in certain documents that are incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” below.

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## GLOSSARY OF TERMS

*Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

**1 CAD** – means one dollar (\$1.00) in the lawful currency of Canada.

**1 QCAD** – means one (1) QCAD Token.

**Allowable Capital Loss** – has the meaning given to it under “Income Tax Considerations – Taxation of QCAD Holders – Taxation of Capital Gains and Capital Losses”.

**AML** – means anti-money laundering.

**AML Regulation** – means the statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

**Annual Financial Statements** – has the meaning given to it under “Description of the QCAD Program – How QCAD Tokens Work – Maintaining Sufficient Reserve Assets”.

**AP Initial Term** – has the meaning given to it under “Material Contracts – Form of Purchase and Redemption Agreement”.

**AP Renewal Term** – has the meaning given to it under “Material Contracts – Form of Purchase and Redemption Agreement”.

**API** – means application programming interface.

**Auditor** – means the auditor of the Issuer who is currently Kingston Ross Pasnak LLP, at its principal offices in Edmonton, Alberta.

**Authorized Participant** – means any eligible entity that has entered into a QCAD Purchase and Redemption Agreement with the Servicer, on behalf of the Issuer.

**Canadian Securities Legislation** – means the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder, and all multilateral and national instruments adopted by the Securities Regulatory Authorities.

**CRA** – means the Canada Revenue Agency.

**CSA** – means the Canadian Securities Administrators.

**CTPs** – means crypto asset trading platforms that are registered in Canada with one or more members of the CSA.

**Custodian** – means Tetra in its capacity as Custodian under the Custodian Agreement.

**Custodian Agreement** – means the custodianship agreement dated May 1, 2025 between the Servicer, in its capacity as administrator and servicing agent of the Issuer, and the Custodian, as it may be amended from time to time.

**DPSPs** – means deferred profit-sharing plans, as defined in the Tax Act.

**Expenses** – has the meaning given to it under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Operating Expenses”.

**FHSAs** – means first home savings accounts, as defined in the Tax Act.

***Fiat-Backed Crypto Asset*** – means a VRCA that intends to replicate the value of a single currency with an underlying fiat currency-based reserve that may or may not be in a segregated account. QCAD Tokens are VRCA's for which the Reserve Assets are held in segregated accounts with Canadian financial institutions.

***FINTRAC*** – means the Financial Transactions and Reports Analysis Centre of Canada.

***GST*** – means the goods and services tax imposed under the *Excise Tax Act, Part IX* (Canada) that is applicable in certain provinces of Canada.

***HST*** – means the harmonized sales tax imposed under the *Excise Tax Act, Part IX* (Canada) that is applicable in certain provinces of Canada.

***Initial Term*** – has the meaning given to it under “Material Contracts – QCAD Servicing Agreement”.

***Institutional Qualified Holder*** – means an Authorized Participant or any other institutional redeemer acceptable to the Issuer who has executed a QCAD Purchase and Redemption Agreement with the Issuer and the Servicer and whose status as such has not been revoked by the Servicer.

***Issuer*** – means QCAD Digital Trust, a special purpose trust established under the laws of the province of Ontario.

***Material Contracts*** – means the contracts listed under “Material Contracts”.

***Monthly Attestation*** – means the monthly assurance report by the Auditor that the Reserve Assets are at least equal to the amount of QCAD Tokens in circulation as of the end of the month and on at least one randomly selected day during the month.

***MSB*** – means an entity that is registered with FINTRAC as a Money Services Business.

***NI 31-103*** – means National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations*.

***NI 41-101*** – means National Instrument 41-101 *General Prospectus Requirements*.

***OTC*** – means over the counter.

***QCAD Holder*** – means a holder of QCAD Tokens.

***QCAD Program*** – means, in aggregate, the issuance or redemption (minting or burning) of QCAD Tokens, the holding by the Issuer of the Reserve Assets and the ongoing administration and management of all matters related or incidental thereto.

***QCAD Purchase and Redemption Agreement*** – means an agreement between the Servicer, on behalf of the Issuer, and an Authorized Participant, as amended from time to time, and which will govern the terms and conditions associated with the purchase and redemption of QCAD Tokens by Authorized Participants.

***QCAD Servicing Agreement*** – has the meaning given to it under “Overview of the Structure of the Issuer and the Servicer”.

***QCAD Terms and Conditions*** – means the terms and conditions associated with the redemption of QCAD Tokens by Qualified Holders, as published from time to time by Stablecorp.

***QCAD Tokens*** – means the QCAD tokens, which are blockchain-based tokens that fall within the category of crypto assets defined by Canadian securities regulators as VRCA's and are qualified for distribution by this prospectus.

***Qualified Holder*** – means an Institutional Qualified Holder or a Retail Qualified Holder.

**RDSPs** – means registered disability savings plans, as defined in the Tax Act.

**Reference Value** – means 1 CAD.

**Registered Plans** – means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs, FHSAs and TFSA.

**Renewal Term** – has the meaning given to it under “Material Contracts – QCAD Servicing Agreement”.

**Reserve Account** – has the meaning given to it under “Description of the QCAD Program – How QCAD Tokens Work – Maintaining Sufficient Reserve Assets”.

**Reserve Assets** – means the assets held by the Issuer as described under “Description of the QCAD Program – How QCAD Tokens Work – Maintaining Sufficient Reserve Assets”.

**Resident Holder** – has the meaning given to it under “Income Tax Considerations”.

**RESPs** – means registered education savings plans, as defined in the Tax Act.

**Retail Qualified Holder** – means a Qualified Holder who is not an Institutional Qualified Holder and who has established an account with the Servicer.

**RRIFs** – means registered retirement income funds, as defined in the Tax Act.

**RRSPs** – means registered retirement savings plans, as defined in the Tax Act.

**Securities Regulatory Authorities** – means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

**SEDAR+** – means the System for Electronic Document Analysis and Retrieval Plus.

**Servicer** – means Stablecorp Digital Currencies Inc. and any other company appointed from time to time by the Trustee to administer the QCAD Program as described in the QCAD Servicing Agreement.

**Service Fee** – has the meaning given to it under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Service Fees”.

**Service Fee Payment** – has the meaning given to it under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Service Fees”.

**Stablecorp** – means Canada Stablecorp Inc., a corporation established under the federal laws of Canada and which is based in Toronto, Ontario.

**Staff Notice 21-332** – means CSA Staff Notice 21-332 *Crypto Asset Trading Platforms: Pre-Registration Undertakings – Changes to Enhance Canadian Investor Protection*.

**Staff Notice 21-333** – means CSA Staff Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients*.

**Supported Blockchains** – has the meaning given to it under “Purpose of QCAD Tokens”.

**Tax Act** – means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

**Taxable Capital Gain** – has the meaning given to it under “Income Tax Considerations – Taxation of QCAD Holders – Taxation of Capital Gains and Capital Losses”.

***Tetra*** – means Tetra Trust Company.

***TFSAs*** – means tax-free savings accounts, as defined in the Tax Act.

***Trust Agreement*** – has the meaning given to it under “Overview of the Structure of the Issuer and the Servicer”.

***Trust Property*** – means the property and assets of the Issuer, including the Reserve Assets.

***Trustee*** – means Odyssey Trust Company.

***VRCA***s – means Value Referenced Crypto Assets, a digital asset that is designed to maintain a stable value over time by referencing the value of an equivalent value of a fiat currency or any other value or right, or combination thereof.



## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the QCAD Tokens offered hereby and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

*Certain general information contained in this prospectus regarding Value-Referenced Crypto Assets, digital asset trading platforms and certain digital asset networks has been obtained from publicly available information from third party sources. While the Servicer believes such sources are reliable, the Servicer has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Servicer has not determined if there has been any omission by any such third party to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information became publicly available or which may affect the significance or accuracy of any information contained in any such information and summarized herein.*

**Issuer:** **QCAD Digital Trust (the “Issuer”)**

QCAD tokens (each, a “**QCAD Token**”) are issued by the Issuer. The Issuer is a special purpose trust established under the laws of the province of Ontario. Odyssey Trust Company is the trustee of the Issuer and the provisions and features of the trust are set forth in a trust agreement (the “**Trust Agreement**”). As per the Trust Agreement, the Issuer was established for the sole purpose of: (i) holding registered title to the Trust Property; and (ii) maintaining the Reserve Assets.

**Offering:** This prospectus provides important information to end users about the Issuer and the key features of QCAD Tokens, including the rights and risks of end users when trading QCAD Tokens.

QCAD Tokens are blockchain-based tokens that fall within the category of crypto assets defined by Canadian securities regulators as Value-Referenced Crypto Assets or “**VRCA**s”. A VRCA is a digital asset that is designed to maintain a stable value over time by referencing the value of an equivalent value of a fiat currency or any other value or right, or combination thereof. Each QCAD Token is designed to maintain a stable value equivalent to one Canadian dollar (“**1 CAD**”). QCAD Tokens are purchased and redeemed in Canadian dollars.

**Continuous Distribution:** QCAD Tokens are offered on a continuous basis and there is no minimum or maximum number of QCAD Tokens that may be issued. Authorized Participants (as defined herein) will be able to purchase QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis (i.e., 1 QCAD is equal to 1 CAD). Similarly, Qualified Holders (as defined herein) will be able to redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis. QCAD Tokens are divisible and can be purchased and redeemed in increments of up to two decimal places. The Issuer will direct the Servicer to “mint” or “burn” (as applicable) the appropriate number of QCAD Tokens in accordance with the QCAD Servicing Agreement. See “Purchases of QCAD Tokens – Purchasing QCAD Tokens” and “Redemption of QCAD Tokens – Redemptions by Qualified Holders” for more details.

**Authorized Participants:** Authorized Participants are expected to include CTPs that have satisfied the Servicer’s onboarding criteria, which includes financial and reputational due diligence. The Servicer takes commercially reasonable efforts to verify, at the time of onboarding and on a reasonably periodic basis thereafter, that each Authorized Participant is in material compliance with the laws in Canada.

Authorized Participants are not underwriters of QCAD Tokens.

<b>End Users:</b>	Authorized Participants may sell QCAD Tokens to end users and may charge brokerage commissions on such sales. End users may withdraw QCAD Tokens from accounts with CTPs into self-hosted wallets, send and receive payments in QCAD Tokens and transfer QCAD Tokens on a peer-to-peer basis. End users do not have the right to redeem QCAD Tokens directly from the Issuer (through the Servicer) unless they are a Qualified Holder. An end user may become a Qualified Holder as described below under “Redemption of QCAD Tokens – Redemptions by Qualified Holders”.
<b>Special Considerations for Purchasers:</b>	The Servicer, on behalf of the Issuer, has obtained exemptive relief from the Securities Regulatory Authorities from certain requirements under Canadian Securities Legislation that would typically be applicable to reporting issuers. For a summary of the exemptive relief obtained by the Issuer, see “Exemptions and Approvals”.
<b>Distributions:</b>	<p>The Issuer anticipates that its expenses will be equal to or will exceed its income such that it does not expect to be liable for tax in a taxation year. In the event that the Issuer has net income and/or net realized capital gains in a particular taxation year, the Trust Agreement requires that the Issuer distributes its net income and net realized capital gains for each taxation year to the Servicer, in its capacity as a beneficiary, to such an extent that the Issuer will not be liable in respect of the taxation year for ordinary income tax. Other than the aforementioned distribution, if applicable, there is currently no intention to pay or distribute any amounts received by the Issuer. For greater certainty, a QCAD Holder is not entitled to any distributions in respect of the revenues that are generated by the Reserve Assets.</p> <p>See “Distribution Policy”.</p>
<b>Purchase and Redemptions:</b>	QCAD Tokens are offered on a continuous basis and there is no minimum or maximum number of QCAD Tokens that may be issued. Authorized Participants will be able to purchase QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis (i.e., 1 QCAD is equal to 1 CAD). Similarly, Qualified Holders may, subject to certain conditions, redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis. QCAD Tokens are divisible and can be purchased and redeemed in increments of up to two decimal places. The Issuer will direct the Servicer to “mint” or “burn” (as applicable) the appropriate number of QCAD Tokens in accordance with the QCAD Servicing Agreement. See “Purchases of QCAD Tokens – Purchasing QCAD Tokens” and “Redemption of QCAD Tokens – Redemptions by Qualified Holders” for more details.
<b>Fees and Expenses:</b>	<p>The Issuer and the Servicer do not currently charge QCAD Holders any fees in connection with the purchase or redemption of QCAD Tokens. In the event the Issuer or Servicer implement a fee in connection with the purchase or redemption of QCAD Tokens, they shall provide a minimum of 30 days notice prior to charging any fees. An updated copy of the QCAD Terms and Conditions shall concurrently be made available on the Stablecorp website (<a href="http://www.stablecorp.ca">www.stablecorp.ca</a>) and under the Issuer’s profile on <a href="http://www.sedarplus.ca">www.sedarplus.ca</a>).</p> <p>Authorized Participants may charge fees for the sale of QCAD Tokens. Any such fees will be funded directly between the purchaser and the Authorized Participant and shall not be deducted from the Reference Value or the Reserve Assets.</p> <p>Pursuant to the QCAD Servicing Agreement, in consideration for the services provided by the Servicer, the Issuer shall pay to the Servicer an annual servicer fee equal to 1.00% per annum of the Reserve Assets of the Issuer (the “<b>Service Fee</b>”). The Service Fee shall be paid to the Servicer by the Issuer on a monthly basis (the “<b>Service Fee Payment</b>”). The Service Fee shall be used to fund the costs associated with administering the QCAD Program, as well as the development of additional products and related technologies. The Servicer may pay a portion of its Service Fee to certain Institutional Qualified Holders as compensation for the technology infrastructure and other costs of making QCAD Tokens available on their platforms.</p>

The Servicer, on behalf of the Issuer, will be responsible for paying the Expenses. See “Fees and Expenses – Fees and Expenses Payable by the Issuer”.

**Documents  
Incorporated by  
Reference:**

Additional information about QCAD Tokens is available in certain documents that are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on Stablecorp’s website at [www.stablecorp.ca](http://www.stablecorp.ca) and may be obtained upon request, at no cost, by emailing Stablecorp at [info@stablecorp.ca](mailto:info@stablecorp.ca). These documents and other information about the QCAD Program are publicly available under the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). See “Documents Incorporated by Reference”.

**Risk Factors:**

The following are certain risks relating to the QCAD Program which prospective purchasers should consider before purchasing QCAD Tokens. A copy of these risk factors is also available on the Stablecorp website at [www.stablecorp.ca](http://www.stablecorp.ca).

**Risks Associated with QCAD Tokens**

- (a) Risk of Secondary Market Price Dislocation
- (b) “Run” Risk or Redemption Risk
- (c) No Deposit Insurance Available for Reserve Assets
- (d) Management Risk and Custodianship Risk
- (e) Bankruptcy of the Servicer or the Issuer Risk
- (f) Conflicts of Interest Risk
- (g) Blockchain Network Third-party Platform Risk
- (h) Improper Transfers
- (i) Reliance on the Servicer
- (j) Suspension of Redemptions
- (k) Dependence of QCAD Tokens on the Internet

**Risks Associated with Holding and Using Digital Assets**

- (a) Short History Risk
- (b) Potential Decrease in Global Demand for Digital Assets
- (c) Cyber Security Risk
- (d) Financial Institutions may Refuse to Support Transactions Involving Digital Assets
- (e) Tax Risk
- (f) Uncertain Regulatory Framework
- (g) Loss of “Private Keys”

**Risks Associated with Blockchain Networks**

- (a) Dependence on Network Developers
- (b) Issues with the Cryptography Underlying the Blockchain Networks
- (c) Disputes on the Development of a Network may lead to Delays in the Development of the Network
- (d) A Blockchain may Temporarily or Permanently Fork and/or Split
- (e) Dependence on the Internet
- (f) Risk if an Entity Gains a 51% Share of a Network
- (g) Attacks on the Network

See “Risk Factors”.

**Income Tax  
Considerations:**

Please refer to the general summary regarding the Canadian federal income tax considerations in connection with the acquisition, holding and disposition of QCAD Tokens, as set out under the heading “Income Tax Considerations” below. **The summary does not constitute legal**

**advice and each purchaser should seek independent legal advice from their respective tax advisors.**

**Taxation of Registered Plans:**

QCAD Tokens are not a “qualified investment” within the meaning of the Tax Act for Registered Plans.

See “Income Tax Considerations”.

**Organization and Management Details**

**Servicer:**

Stablecorp Digital Currencies Inc. (the “**Servicer**”), a corporation established under the federal laws of Canada and which is based in Toronto, Ontario, is the administrator and servicing agent of the Issuer pursuant to a servicing and administration agreement (the “**QCAD Servicing Agreement**”). Pursuant to the QCAD Servicing Agreement, the Servicer is responsible for managing the QCAD Program (as defined herein), which includes overseeing the issuance and redemption of QCAD Tokens, which activities are also referred to and result in the “minting” and “burning” of QCAD Tokens. The Servicer is a MSB permitted to conduct virtual currency dealings and is registered with FINTRAC. The Servicer is a wholly owned subsidiary of Canada Stablecorp Inc. (“**Stablecorp**”), a corporation established under the federal laws of Canada. The head office and principal place of business of the Servicer is 477 Richmond Street West, Toronto, Ontario M5V 3E7.

**Custodian:**

Tetra Trust Company is the custodian of the assets of the Issuer and has been given the authority to appoint sub-custodians. The address of the Custodian is Suite 425 – 441 5<sup>th</sup> Avenue SW, Calgary, Alberta T2P 2V1. The Custodian is entitled to receive fees from the Issuer as described under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Operating Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with activities relating to the QCAD Program. See “Organization and Management Details – Custodian”.

**Trustee:**

Odyssey Trust Company, at its principal offices in Toronto, Ontario, is the trustee of the Issuer. See “Organization and Management Details – Trustee”.

**Auditor:**

Kingston Ross Parnak LLP, at its principal offices in Edmonton, Alberta, is the auditor of the Issuer. See “Organization and Management Details – Auditor”.

## OVERVIEW OF THE STRUCTURE OF THE ISSUER AND THE SERVICER

The Issuer is a special purpose trust established under the laws of the province of Ontario. Odyssey Trust Company is the trustee of the Issuer and the provisions and features of the trust are set forth in a trust agreement (the “**Trust Agreement**”). As per the Trust Agreement, the Issuer was established for the sole purpose of: (i) holding registered title to the Trust Property; and (ii) maintaining the Reserve Assets.

The Servicer, a corporation established under the federal laws of Canada and which is based in Toronto, Ontario, is the administrator and servicing agent of the Issuer pursuant to a servicing and administration agreement (the “**QCAD Servicing Agreement**”). Pursuant to the QCAD Servicing Agreement, the Servicer is responsible for managing the QCAD Program, which includes overseeing the issuance and redemption of QCAD Tokens, which activities are also referred to as “minting” and “burning” of QCAD Tokens. The Servicer is a MSB permitted to conduct virtual currency dealings and is registered with FINTRAC. The Servicer is a wholly owned subsidiary of Stablecorp, a corporation established under the federal laws of Canada.

Stablecorp is a Canadian technology company that leverages blockchain technology to enhance the financial services experience for individual and corporate users and the solutions that seek to support them.

## PURPOSE OF QCAD TOKENS

QCAD Tokens are multi-chain digital assets currently available on the Ethereum, Solana, Algorand and Stellar blockchains (collectively, the “**Supported Blockchains**”). QCAD Tokens may also become available on other blockchains that meet the technical specifications and other due diligence requirements of the Servicer. QCAD Tokens can be used as a method of payment, as a store of value, or to facilitate the trading, borrowing and lending of other digital assets. Other associated uses of QCAD Tokens may include:

1. as an “onchain” (recorded to the associated blockchain) foreign exchange solution enabling more efficient global flow of assets;
2. as a Canadian transfer/payment rail that is uniquely affordable and fast; and
3. as a CAD-denominated bridge asset enabling the efficient and timely transfer of value between digital assets and fiat currency.

QCAD Tokens are intended to provide the holders thereof with the ability to conduct transactions within a digitally native environment using blockchain technology to securely record the transactions in an immutable, transparent and auditable manner.

It is possible that future regulatory changes in Canada may affect the manner in which Fiat-Backed Crypto Assets, including QCAD Tokens, are regulated. There is no guarantee that all use cases for QCAD Tokens or Fiat-Backed Crypto Assets will achieve mainstream adoption. See “Risk Factors – Risks Associated with Holding and Using Digital Assets – Uncertain Regulatory Framework”.

QCAD Holders are not entitled to receive distributions or any form of passive income on their QCAD Tokens. QCAD Tokens are not designed to appreciate in value. QCAD Holders should not expect to profit from their holdings in QCAD Tokens based on the efforts of the Servicer or any other person.

## DESCRIPTION OF THE QCAD PROGRAM

### Introduction to VRCAs and QCAD Tokens

Pursuant to Staff Notice 21-332, a VRCA is a digital asset that is designed to maintain a stable value over time by referencing the value of an equivalent value of a fiat currency or any other value or right, or combination thereof. The mechanism through which a VRCA is designed to maintain its value, also commonly known as its “peg” to the reference value, may be through maintaining a reserve of assets or through an algorithm coded into a smart contract.

A VRCA that intends to replicate the value of a single currency with an underlying fiat currency-based reserve that may or may not be in a segregated account is referred to as a Fiat-Backed Crypto Asset.

QCAD Tokens are Fiat-Backed Crypto Assets and are designed to maintain a stable value over time by referencing the value of an equivalent number of Canadian dollars. QCAD Tokens are currently available on the Supported Blockchains. As described above, QCAD Tokens can be used as a method of payment or to facilitate the trading, borrowing and lending of other digital assets. Each QCAD Token is designed to maintain a stable value equivalent to 1 CAD. QCAD Tokens are purchased and redeemed in Canadian dollars.

This prospectus provides important information to end users about the Issuer and the key features of QCAD Tokens, including their rights and risks when trading QCAD Tokens. It has been filed to address the consumer protection concerns that underpin the CSA's interim regulatory approach in respect of VRCAs. No legislature or court in Canada has passed legislation or made a judicial decision that Fiat-Backed Crypto Assets are securities, and to date there have been no specific rules or policy statements published by member jurisdictions of the CSA specifically regulating Fiat-Backed Crypto Assets. Accordingly, the Issuer, the Servicer and Stablecorp are of the view that QCAD Tokens are not securities as defined in Canadian securities legislation, and that QCAD Tokens and other Fiat-Backed Crypto Assets should be regulated as payment instruments under a prudential framework, which is consistent with regulatory approaches being taken in many other jurisdictions.

On April 4, 2025, the Division of Corporation Finance of the U.S. Securities Commission issued a statement on Stablecoins affirming its view that the offer and sale of "Covered Stablecoins" does not involve the offer and sale of securities within the meaning of applicable U.S. securities laws and that persons involved in the minting or redeeming of Covered Stablecoins do not need to register those transactions or seek registration (or an exemption therefrom) pursuant to applicable U.S. securities laws. "Covered Stablecoins" are stablecoins designed to maintain a stable value relative to the United States Dollar ("USD"), on a one-for-one basis, can be redeemed for USD on a one-for-one basis (i.e., one stablecoin to one USD), and are backed by assets held in a reserve that are considered low-risk and readily liquid with a USD-value that meets or exceeds the redemption value of the stablecoins in circulation.

Various global jurisdictions, including the European Union, Singapore, the United Kingdom and the United States seek to regulate Fiat-Backed Crypto Assets as payment instruments under a prudential framework. At this time, no Canadian government body or regulator, at the federal or provincial level, has proposed to regulate Fiat-Backed Crypto Assets in this manner.

It is possible that future regulatory changes in Canada may affect the manner in which Fiat-Backed Crypto Assets, including QCAD Tokens, are regulated. See "Risk Factors – Risks Associated with Holding and Using Digital Assets – Uncertain Regulatory Framework".

## **How QCAD Tokens Work**

### *Purchasing and Redeeming QCAD Tokens*

QCAD Tokens are offered on a continuous basis and there is no minimum or maximum number of QCAD Tokens that may be issued. Authorized Participants will be able to purchase QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis (i.e., 1 QCAD is equal to 1 CAD). Similarly, Qualified Holders will be able to redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis. QCAD Tokens are divisible and can be purchased and redeemed in increments of up to two decimal places. The Issuer will direct the Servicer to "mint" or "burn" (as applicable) the appropriate number of QCAD Tokens in accordance with the QCAD Servicing Agreement.

For every QCAD Token to be minted, an equivalent amount in fiat currency is transferred to the Reserve Account (as defined herein). Once the fiat currency has been confirmed as received in the Reserve Account, the equivalent amount of QCAD Tokens are created on the public blockchain, in a process known as "minting". No QCAD Token will ever be minted prior to the fiat currency being confirmed as received in the Reserve Account.

For every QCAD Token redeemed, an equivalent amount of QCAD Tokens will be permanently destroyed in a process known as "burning". Following the burning process, the equivalent amount of fiat currency will be transferred to the

Authorized Participant or Qualified Holder. No fiat currency will ever be transferred to an Authorized Participant or Qualified Holder from the Reserve Account without confirmation that a corresponding number of QCAD Tokens have been burned.

For more details regarding the purchase and redemption of QCAD Tokens, see “Purchases of QCAD Tokens – Purchasing QCAD Tokens” and “Redemption of QCAD Tokens – Redemptions by Qualified Holders” below.

Clients of Authorized Participants are advised that Authorized Participants may impose additional restrictions in association with the purchase of QCAD Tokens (or crypto contracts relating to QCAD Tokens).

A description of the QCAD Token redemption procedures will be available on the Stablecorp website at [www.stablecorp.ca](http://www.stablecorp.ca).

See “Purchases of QCAD Tokens – Authorized Participants”, “Purchases of QCAD Tokens – End Users” and “Redemption of QCAD Tokens”.

#### *Maintaining Sufficient Reserve Assets*

All Canadian dollars received in exchange for the issuance of QCAD Tokens are held by the Issuer as reserve assets (the “**Reserve Assets**”). The Reserve Assets consist of: (i) Canadian currency; (ii) investments that are evidence of indebtedness with a remaining term to maturity of 90 days or less and that are issued, or fully and unconditionally guaranteed as to principal and interest, by the government of Canada; or (iii) securities issued by one or more money market funds denominated in Canadian dollars which are licensed, regulated or authorized by a regulatory authority in Canada or the United States of America.

The Reserve Assets are custodied with Tetra, which is a “Canadian custodian” as defined in NI 31-103. Tetra holds the Reserve Assets in segregated “In Trust For” accounts with Canadian financial institutions and such accounts are clearly designated for the benefit of QCAD Holders (collectively, the “**Reserve Account**”).

The Servicer ensures that the nominal (face) value of the Reserve Assets is at least equal to the aggregate nominal value (face) of all outstanding QCAD Tokens at least once each day. The Servicer maintains daily accounts of: (i) the market value of the Reserve Assets; (ii) the supply of issued QCAD Tokens; and (iii) such other information as may be required by the CSA from time to time (including the items indicated under “Information Rights” below). The Reserve Assets are measured at fair value in accordance with Canadian GAAP for publicly accountable enterprises. The Reserve Assets may not be encumbered or pledged as collateral at any time, and the Issuer shall not borrow or lend assets of any kind.

Every month, the Servicer publishes the Monthly Attestation prepared by the Auditor. The Monthly Attestations indicate that the value of the Reserve Assets are at least equal to the CAD amount of QCAD Tokens in circulation as of the end of the particular month and on at least one randomly selected day during the particular month. The Monthly Attestations are made publicly accessible in a timely manner on Stablecorp’s website at [www.stablecorp.ca](http://www.stablecorp.ca). Stablecorp also provides such information at no cost to the QCAD Holders who so request by emailing Stablecorp at [info@stablecorp.ca](mailto:info@stablecorp.ca). The Monthly Attestations will also be filed under the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Every year, the Auditor will perform an audit of the Issuer and will produce audited annual financial statements that comply with the requirements set out by the CSA (the “**Annual Financial Statements**”). The Annual Financial Statements will be posted on Stablecorp’s website at [www.stablecorp.ca](http://www.stablecorp.ca) within 120 days of the end of each respective year. The Annual Financial Statements will also be filed under the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Servicer anticipates that the initial Annual Financial Statements will be posted in June of 2025.

#### *Administration of the QCAD Program*

The Servicer is the administrator and servicing agent of the Issuer pursuant to the QCAD Servicing Agreement. As per the QCAD Servicing Agreement, the Servicer is responsible for managing the QCAD Program, which includes

overseeing the issuance and redemption of QCAD Tokens, which activities are also referred and result in the “minting” and “burning” of QCAD Tokens.

The Servicer’s personnel, including its management, consists of compliance professionals, finance professionals and software engineers with experience operating within regulated financial services environments and blockchain technology. Further information on the experience and proficiency of the directors and officers of the Servicer and its affiliates is found in “Organization and Management Details – The Servicer” below.

The Servicer has developed and adopted policies and processes for minting and burning QCAD Tokens, including use of multi-signature hardware wallets with appropriate recovery strategies and levels of redundancy. In particular, the Servicer maintains multistep processes to confirm that fiat currency proceeds have arrived in the Reserve Account prior to the equivalent amount of QCAD Tokens being minted and to confirm that the appropriate amount of QCAD Tokens are burned prior to any fiat currency being released from the Reserve Account.

#### *Minting and Burning of QCAD Tokens*

For every QCAD Token to be minted, an equivalent amount in fiat currency is transferred to the Reserve Account (as defined herein). Once the fiat currency has been confirmed as received in the Reserve Account, the equivalent amount of QCAD Tokens are created on the public blockchain. No QCAD Token will ever be minted prior to the fiat currency being confirmed as received in the Reserve Account.

For every QCAD Token redeemed, an equivalent amount of QCAD Tokens will be permanently destroyed in a process known as “burning”. Following the burning process, the equivalent amount of fiat currency will be transferred to the Authorized Participant or Qualified Holder. No fiat currency will ever be transferred to an Authorized Participant or Qualified Holder from the Reserve Account without confirmation that a corresponding number of QCAD Tokens have been burned.

Fully auditable, secure and consistent minting and burning processes are the cornerstone of a robust VRCA such as QCAD Tokens. While the specifics are occasionally updated to reflect the latest technological improvements in the space and may vary from blockchain to blockchain based on unique technological requirements, the Servicer always applies the same core principals to its technology and internal governance processes. This ensures that the Reserve Assets are always equal to or greater than the total QCAD Token supply across all blockchains. These core principles include:

- (i) the use of multiple private keys to authorize a transaction (known as an “M of N” signatory threshold where “M” is the minimum number of signatures and “N” is the total number of possible signers) that implements decentralized, “Distributed Authority” custody protocols uniquely tailored for each blockchain;
- (ii) use of unique encrypted signing devices;
- (iii) signatories from multiple levels within the Servicer, including its operational and executive team;
- (iv) validation of transaction details, counterparties and instructions via encrypted API-based transaction requests;
- (v) multiple layers of manual and automated checks of key transaction pieces including, most critically, receipt of fiat currency (for mints) and receipt of digital money (for burns / redemptions);
- (vi) daily maintenance of mint and burn and audit records for third party external attestation report;
- (vii) robust onboarding process for both Authorized Participants and Qualified Holders to ensure auditability and compliance; and



- (viii) whitelisting and automated onchain scanning of counterparty wallets.

#### *Information Rights*

Certain information regarding the Reserve Assets and the amount of issued QCAD Tokens will be available to QCAD Holders and to the public including:

- (i) the daily market value of the Reserve Assets and aggregate issued QCAD Tokens;
- (ii) the historical amount of issued QCAD Tokens on a daily basis;
- (iii) the Monthly Attestations, indicating that the Reserve Assets are at least equal to the amount of QCAD Tokens in circulation as of the end of the month and on at least one randomly selected day during the month;
- (iv) the Annual Financial Statements;
- (v) details of any instances where the Issuer or the Servicer has suspended or halted redemptions for all QCAD Holders; and
- (vi) details of any instances where the Issuer has not been able to satisfy the redemption right of a Qualified Holder at the Reference Value or in the time specified in its public policies.

This information will be made available by Stablecorp at [www.stablecorp.ca](http://www.stablecorp.ca).

### **FEES AND EXPENSES**

#### **Fees and Expenses Payable by the QCAD Holders**

The Issuer and the Servicer do not currently charge QCAD Holders any fees in connection with the purchase or redemption of QCAD Tokens. In the event the Issuer or Servicer implement a fee in connection with the purchase or redemption of QCAD Tokens, they shall provide a minimum of 30 days notice prior to charging any fees. An updated copy of the QCAD Terms and Conditions shall concurrently be made available on the Stablecorp website ([www.stablecorp.ca](http://www.stablecorp.ca)) and under the Issuer's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

Authorized Participants may charge fees for the sale of QCAD Tokens. Any such fees will be funded directly between the purchaser/seller and the Authorized Participant and shall not be deducted from the Reference Value or the Reserve Assets.

#### **Fees and Expenses Payable by the Issuer**

##### *Service Fees*

Pursuant to the QCAD Servicing Agreement, in consideration for the management services provided by the Servicer, the Issuer shall pay to the Servicer an annual servicer fee equal to 1.00% per annum of the Reserve Assets of the Issuer (the "**Service Fee**"). The Service Fee shall be paid to the Servicer by the Issuer on a monthly basis (the "**Service Fee Payment**"). The Service Fee shall be used to fund the costs incurred by the Servicer in managing the QCAD Program, as well as the development of additional products and related technologies by the Servicer and its affiliates. The Servicer may pay a portion of its Service Fee to certain Institutional Qualified Holders as compensation for the technology infrastructure and other costs of making QCAD Tokens available on their platforms.

Interest earned on the Reserve Assets will be withdrawn from time to time from the Reserve Account and paid to the Servicer in payment of its fees and other distributions to which it may be entitled. See "Distribution Policy – Distributions".

The Servicer agrees that it shall not be entitled to be paid a Service Fee in any month in which the payment of such fee could result in the total value of the aggregate fiat currency deposits representing the Reserve Assets, including any interest earned thereon, held with the Custodian being less than the aggregate value of the supply of QCAD Tokens in circulation, calculated on a 1:1 basis. In such case, the Service Fee for that month shall be accrued by the Issuer until such time as it may be paid in whole or in part while having regard to this stipulation.

#### *Payment of Expenses*

The Servicer shall pay all of the Expenses (as defined below) on behalf of the Issuer. The Servicer will be reimbursed out of the Trust Property on a monthly basis for all Expenses paid by the Servicer on behalf of the Issuer. The Servicer agrees that it shall not be entitled to be reimbursed in any month in which the payment of such reimbursement could result in the total value of the aggregate fiat currency deposits representing the Reserve Assets held in the Reserve Account being less than the aggregate value of the supply of QCAD Tokens in circulation, calculated on a 1:1 basis. In such case, the reimbursement for that month shall be accrued by the Issuer until such time as it may be paid in whole or in part while having regard to this stipulation.

#### *Operating Expenses*

As indicated above, in accordance with the terms of the QCAD Servicing Agreement, the Servicer will pay, on behalf of the Issuer, all of the Issuer's costs, expenses and liabilities (the "**Expenses**"), including all of its administrative and operating expenses. Such Expenses to include: expenses relating to the preparation and filing of this prospectus (estimated to be \$250,000); fees payable to the Trustee; fees payable to the Custodian; fees payable to any custodians and/or sub-custodians for the assets of the Issuer as well as the fees of any other service providers (other than the Servicer); legal, audit, and valuation fees and expenses; Securities Regulatory Authorities' participation fees; the preparation and supervision costs relating to the calculation and publication of the Monthly Attestations; costs and expenses arising as a result of complying with all applicable laws, regulations and policies; all taxes (including income, capital, federal GST or HST, and Provincial/Territorial sales taxes); and costs associated with the provision of such other administrative services as may be reasonably required for the ongoing business and administration of the Issuer.

### **RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, the following are risks relating to a purchase of QCAD Tokens that prospective purchasers should consider before purchasing QCAD Tokens.

#### **Risks Associated with QCAD Tokens**

##### ***Risk of Secondary Market Price Dislocation***

The Servicer, on behalf of the Issuer, has entered into QCAD Purchase and Redemption Agreements with certain Authorized Participants which, amongst other things, enable the Authorized Participants to purchase and redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis (i.e., 1 QCAD is equal to 1 CAD at both purchase and redemption thereof). Qualified Holders may, subject to certain conditions, redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis. See "Purchases of QCAD Tokens – Purchasing QCAD Tokens" and "Redemption of QCAD Tokens" for more details.

All Canadian dollars received in exchange for the issuance of QCAD Tokens are held by the Issuer as Reserve Assets. The Custodian holds the Reserve Assets in segregated "In Trust For" accounts with Canadian financial institutions and such accounts are clearly designated for the benefit of QCAD Holders. For all QCAD Tokens that are issued by the Issuer and remain in circulation, the Issuer will maintain at least the equivalent of Canadian denominated assets in the Reserve Account. However, the Servicer and the Issuer do not guarantee that the value of 1 QCAD will always equal 1 CAD across all CTPs, OTC liquidity providers and other centralized and decentralized trading venues. Due to a variety of factors outside of the Servicer's control, the value of QCAD Tokens on trading venues, including, where applicable, those operated by Authorized Participants, can fluctuate above or below 1 CAD. The Servicer cannot control how third parties value QCAD Tokens, and the Servicer is not responsible for any losses or other issues that may result from fluctuations in the value of QCAD Tokens.

### ***“Run” Risk or Redemption Risk***

The failure of QCAD Tokens to perform according to expectations could harm QCAD Holders. The mere prospect of QCAD Tokens not performing as expected could result in a “run”— i.e., a self-reinforcing cycle of redemptions and sales of QCAD Tokens. The Servicer addresses run risk by ensuring that the Issuer maintains a reserve of highly liquid assets with a market value at least equal to the value of all outstanding QCAD Tokens. The Reserve Account is subject to monthly attestations and an annual audit in order to confirm that the Issuer holds sufficient assets to satisfy a redemption request by a Qualified Holder. However, no assurance can be given the QCAD Program will perform as expected, and the QCAD Program may fail to perform as expected for reasons outside the control of the Servicer (for example, because of the failure of a blockchain network as described in “Third-party Platform Risk” below).

Qualified Holders may, subject to certain conditions, redeem their QCAD Tokens for the Reference Value directly from the Issuer through the Servicer. Such conditions will generally include the presence of conditions that would render the sale of QCAD Tokens via the facilities of a CTP impractical or impossible (e.g. where the amount offered for a QDAC Token by the CTP for an exchange was below 1 CAD). In addition, the QCAD Terms and Conditions set out the qualifying criteria that must be met in order to qualify as a Qualified Holder. End users other than Qualified Holders do not have the right to redeem QCAD Tokens from the Issuer through the Servicer.

### ***No Deposit Insurance Available for Reserve Assets***

QCAD Tokens are not insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime and therefore all redemptions of QCAD Tokens will be dependent upon the adequacy of the Reserve Account and the ability of the Servicer to process redemptions. QCAD Holders are not protected by deposit insurance.

### ***Management Risk and Custodianship Risk***

The holding of the Reserve Assets by the Issuer with a third-party custodian may expose QCAD Holders to certain risks relating to the management and custodianship of the Reserve Assets, such as fraud risk or proficiency risk. QCAD Holders may also face risk in permitting the Servicer to have control over the Reserve Assets that are held with Tetra insofar as assets could be accessed improperly and misused. The Servicer addresses management risk by maintaining an experienced and professional staff as well as effective and stringent governance practices and liquidity policies. The Servicer addresses custodianship risk by ensuring that: (i) the Reserve Assets are held by a qualified custodian; and (ii) the Reserve Assets are segregated from the assets of the Servicer and its affiliates. The Reserve Assets are held by Tetra, which is a “Canadian custodian” as defined in NI 31-103. Tetra holds the Reserve Assets in segregated accounts with Canadian financial institutions. The Reserves Assets will be held according to a strict liquidity policy, however, there can be no assurance that such controls will prove to be effective in all circumstances.

### ***Bankruptcy of the Servicer or the Issuer Risk***

The Servicer, acting as the administrator and servicing agent for the Issuer, has a significant influence on the distribution of QCAD Tokens and the management of the Issuer. If the Servicer (or any of its affiliates) were to become bankrupt or insolvent, the operation of the QCAD Program and the Issuer could be negatively impacted. In such circumstances, the Trustee, in its capacity as trustee of the Issuer, would either perform all obligations of the Servicer or shall be entitled to engage another person to perform such services. There is no guarantee that another appropriate servicing agent could be found in such circumstances. In such event, the Trustee may also decide to wind down the Issuer and distribute the Reserve Assets to the QCAD Holders.

Pursuant to the Trust Agreement, the Trustee may not incur indebtedness or leverage and the Trust Property may not be encumbered or pledged at any time. The Trustee has the power to pay or satisfy out of the income of the Issuer any claims against the Trust or the Trust Property, and to incur and to pay any charges or expenses of the Issuer which are described in this prospectus. To the best of the knowledge and belief of the Issuer, including consultation with experts such as legal counsel, no creditors of the Issuer other than the QCAD Holders in their capacity as QCAD Holders, will have recourse to the Reserve Assets in the unlikely event of insolvency.

Further, the Servicer has agreed that it shall not be entitled to be paid a Service Fee in any month in which the payment of such fee could result in the total value of the aggregate fiat currency deposits representing the Reserve Assets, including any interest earned thereon, held with the Custodian being less than the aggregate value of the supply of QCAD Tokens in circulation, calculated on a 1:1 basis. In such case, the Service Fee for that month shall be accrued by the Issuer until such time as it may be paid in whole or in part while having regard to this stipulation. If, notwithstanding these protections, the Issuer becomes insolvent and, at the time of the insolvency, the charges and expenses of the Issuer exceed the amount held as Reserve Assets as well as the income generated therefrom, then there is a possibility that claims by third parties could outrank claims by a QCAD Holder, and/or that orders could be made in an insolvency proceeding that would interfere with a QCAD Holder's ability to access the Reserve Assets. To help mitigate these risks, the Servicer has agreed that the Servicer's claim for payment of Services Fees will be subordinated to the rights of QCAD Holders in an insolvency proceeding of the Issuer.

### ***Conflicts of Interest Risk***

The Servicer is compensated by the income generated by the Reserve Assets. The Issuer is subject to investment restrictions which govern how the Reserve Assets may be held or invested by the Issuer. As a result, the discretion of the Servicer in administering the Reserve Assets is constrained. The Servicer does not receive fees in connection with the purchase or redemption of QCAD Tokens. The Servicer does not receive any compensation from Authorized Participants in connection with the sale or distribution of QCAD Tokens. The Servicer may pay a fee to Authorized Participants. The Service Fee shall be primarily used to fund the costs associated with administering the QCAD Program, as well as the development of additional products and related technologies. The Servicer may pay a portion of its Service Fee to certain Authorized Participants as compensation for the technology infrastructure and other costs of making QCAD Tokens available on their platforms.

Authorized Participants may sell QCAD Tokens to end users and may charge brokerage commissions on such sales. As a result, it is possible that Authorized Participants may, therefore, have economic interests which differ from those of end users, the Issuer and the Servicer.

### ***Blockchain Network Third-party Platform Risk***

QCAD Tokens are based on open-source software and are currently available on the Supported Blockchains. The Supported Blockchains may experience issues (such as hacks, outages, transaction settlement delays, etc.) which may impact a QCAD Holders' ability to spend, transfer or redeem their QCAD Tokens. The Servicer and the Issuer are not responsible for any losses or other issues that QCAD Holders might encounter while using QCAD Tokens on any of the Supported Blockchains. QCAD Holders accept all consequences of using QCAD Tokens on the Supported Blockchains.

### ***Improper Transfers***

QCAD Token transactions are not reversible. Once a QCAD Holder sends QCAD Tokens to an address, QCAD Holders accept the risk that they may lose access to, and any claim on, that QCAD Token indefinitely or permanently. An improper transfer (whereby QCAD Tokens are sent to the wrong recipient), whether accidental or resulting from theft, can only be undone by the receiver of the QCAD Tokens agreeing to send the QCAD Tokens back to the original sender in a separate subsequent transaction. To the extent a user erroneously transfers, whether accidental or otherwise, QCAD Tokens in incorrect amounts or to the wrong recipients, the user may be unable to recover the QCAD Tokens.

### ***Reliance on the Servicer***

QCAD Holders will be dependent on the abilities of the Servicer to effectively administer the affairs of the QCAD Program. If, for whatever reason, the Servicer needs to be replaced, there is no guarantee that the Issuer will be able to find an alternative entity to perform the services of the Servicer. Also, the Servicer depends, to a great extent, on a very limited number of individuals in the administration of its activities as servicer of the Issuer. The loss of the services of any one of these individuals for any reason could impair the ability of the Servicer to perform its duties as servicer on behalf of the Issuer.

In the event that a QCAD Holder cannot sell their QCAD Tokens for the Reference Value on a CTP or otherwise, and the QCAD Holder seeks to redeem their QCAD Tokens through the Servicer by becoming a Qualified Holder, then the QCAD Holder would rely on the Servicer to provide liquidity for their QCAD Tokens. If, for whatever reason, the Servicer does not perform its functions properly, a Qualified Holder may experience delays or may not be able to redeem their QCAD Tokens from the Issuer through the Servicer.

### ***Suspension of Redemptions***

The Servicer may suspend the redemption of QCAD Tokens for the whole or any part of a period during which the Servicer determines that conditions exist that render impractical the redemption of the QCAD Tokens or that impair the ability to determine the value of the assets of the Reserve Assets. To the extent not inconsistent with any rules and regulations promulgated by any government body having jurisdiction over the Servicer, any declaration of suspension made by the Servicer shall be conclusive. While QCAD Token redemptions are suspended, the Servicer will not accept any redemption requests nor any minting requests. This could have a negative effect on the QCAD Holders, as they may be required to hold their QCAD Tokens until the suspension of redemptions has been lifted. See “Redemption of QCAD Tokens – Suspension of Redemptions” below for additional information.

### ***Dependence of QCAD Tokens on the Internet***

QCAD Tokens are accessed via the internet and are dependent upon the continued functioning of the internet. Any internet disruption will likely affect a QCAD Holders’ ability to spend, transfer or redeem their QCAD Tokens. Also, any internet disruption will likely affect the Servicer’s ability to perform certain services that are essential to the proper functioning of the QCAD Program (e.g., minting and burning of QCAD Tokens).

## **Risks Associated with Holding and Using Digital Assets**

### ***Short History Risk***

Blockchain networks, tokens and digital assets are a new technological innovation with a limited history. Due to this short history, it is not clear how all elements of digital assets will unfold over time. There is no assurance that usage of digital assets and blockchains will continue to grow. It is possible that future regulatory changes in Canada may affect the manner in which Fiat-Backed Crypto Assets, including QCAD Tokens, are regulated. There is no guarantee that all use cases for QCAD Tokens or Fiat-Backed Crypto Assets will achieve mainstream adoption. The digital assets community has successfully navigated a considerable number of technical and political challenges since its inception, and this leads the Servicer to believe that the community will continue to work through future challenges. The history of open-source software development would indicate that digital asset communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on the future of QCAD Tokens. A contraction in use of digital assets may result in decreased security on public blockchain networks.

### ***Potential Decrease in Global Demand for Digital Assets***

As a currency, digital assets serve as a means of exchange, store of value and unit of account. Many people using digital assets as money-over-internet-protocol do so with it as an international means of exchange. If consumers stop using digital assets as a means of exchange, or its adoption therein slows, then usage and security of public blockchain networks may suffer, adversely impacting QCAD Tokens. There is no assurance that QCAD Tokens will attain widespread adoption and acceptance in the future whether as a means of exchange, store of value and/or unit of account by consumers in Canada or globally across other jurisdictions.

Buyers of QCAD Tokens should be aware that there is no assurance that digital assets will maintain their long-term utility in the future or that the acceptance of digital assets for payments by mainstream retail merchants and commercial businesses will continue to grow. As relatively new products and technologies, digital assets have yet to become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of digital assets by consumers to pay such retail and commercial outlets remains limited. Banks and other

established financial institutions may refuse to process funds for digital asset-based transactions, process wire transfers to or from CTPs, digital asset-related companies or service providers, or maintain accounts for persons or entities transacting in digital assets. The Servicer believes that, like any commodity, digital assets will fluctuate in utility, but over time will gain a level of acceptance as a store of value, medium of exchange or token of utility.

### ***Cyber Security Risk***

Cyber security risks are a possibility wherein harm, loss and liability may result due to intentional or unintentional events that cause a failure to or a breach of information technology systems. The source of these failures or breaches may be due to internal or external causes and could result in a loss of proprietary information and/or a disruption to regular operations. This could cause damage to the maintenance of normal operating procedures including those related to issuance and redemption of QCAD Tokens and may delay requests to facilitate certain transactions. The same risks extend to third-party service providers which are outside of the Servicer's information technology security plans. The Servicer has established a set of measures to manage our cyber security risks in order to reduce the risks associated with cyber security incidents.

### ***Financial Institutions may Refuse to Support Transactions Involving Digital Assets***

In the evolving regulatory climate for digital assets, Canadian regulated financial institutions and other platforms may cease to support transactions involving digital assets, including the receipt of cash proceeds from sales of digital assets. Banks and other established financial institutions may refuse to process funds for digital asset transactions, process wire transfers to or from CTPs, digital asset-related companies or service providers, or maintain accounts for persons or entities transacting in digital assets. While the Servicer makes best efforts to maintain significant redundancy, should this occur, the Servicer could be unable to pay out redemption proceeds within reasonable timeframes.

### ***Tax Risk***

Tax risk is present due to the uncertainty of how tax authorities will treat transactions, including purchases and sales, involving digital assets. This includes the tax treatment related to all digital assets and specifically VRCAs such as QCAD Tokens. Neither the Issuer nor the Servicer provide any legal or tax advice or related assurances in connection with the tax treatment of acquiring, holding and disposing of QCAD Tokens.

### ***Uncertain Regulatory Framework***

The regulatory environment for digital assets is evolving and changes to it may adversely affect the demand and availability of digital assets such as QCAD Tokens. Due to digital assets' short history, and its emergence as a new asset class, regulation of digital assets is still a work in progress. The CSA have restricted CTPs in Canada from providing access to VRCAs unless they meet certain prudential requirements (including requirements relating to fiat currency reserves, monthly attestations, the use of a qualified custodian, etc.). There is a risk that CTPs may cease to offer access to VRCAs (including QCAD Tokens) with little or no prior notice.

This prospectus has been filed to address the consumer protection concerns that underpin g the CSA's interim regulatory approach in respect of VRCAs. No legislature or court in Canada has passed legislation or made a judicial decision that Fiat-Backed Crypto Assets are securities, and to date there have been no specific rules or policy statements published by member jurisdictions of the CSA specifically regulating Fiat-Backed Crypto Assets. Accordingly, the Issuer, the Servicer and Stablecorp are of the view that QCAD Tokens are not securities as defined in Canadian securities legislation, and that QCAD Tokens and other Fiat-Backed Crypto Assets should be regulated as payment instruments under a prudential framework, which is consistent with regulatory approaches being taken in many other jurisdictions.

On April 4, 2025, the Division of Corporation Finance of the U.S. Securities Commission issued a statement on Stablecoins affirming its view that the offer and sale of "Covered Stablecoins" does not involve the offer and sale of securities within the meaning of applicable U.S. securities laws and that persons involved in the minting or redeeming of Covered Stablecoins do not need to register those transactions or seek registration (or an exemption therefrom) pursuant to applicable U.S. securities laws. "Covered Stablecoins" are stablecoins designed to maintain a stable value

relative to USD, on a one-for-one basis, can be redeemed for USD on a one-for-one basis (i.e., one stablecoin to one USD), and are backed by assets held in a reserve that are considered low-risk and readily liquid with a USD-value that meets or exceeds the redemption value of the stablecoins in circulation.

Various global jurisdictions, including the European Union, Singapore, the United Kingdom and the United States seek to regulate Fiat-Backed Crypto Assets as payment instruments under a prudential framework. At this time, no Canadian government body or regulator, at the federal or provincial level, has proposed to regulate Fiat-Backed Crypto Assets in this manner. It is possible that future regulatory changes in Canada may affect the manner in which Fiat-Backed Crypto Assets, including QCAD Tokens, are regulated. There is no guarantee that all use cases for QCAD Tokens or Fiat-Backed Crypto Assets will achieve mainstream adoption.

It is possible that future regulatory changes in Canada may affect the manner in which Fiat-Backed Crypto Assets, including QCAD Tokens, are regulated.

### ***Loss of “Private Keys”***

The loss or destruction of “private keys” (numerical codes required by users to access their digital assets) could prevent a user from accessing their digital assets. Loss of these private keys may be irreversible and could result in the loss of all or substantially all the digital assets held by the user. This risk may be mitigated by the services provided by a custodian to maintain the safety of a user’s private keys.

## **Risks Associated with Blockchain Networks**

### ***Dependence on Network Developers***

While many contributors to a blockchain network’s open-source software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that they will continue to contribute to a blockchain network’s software.

### ***Issues with the Cryptography Underlying the Blockchain Networks***

For even the most established digital asset networks, the network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. In the past, flaws in the source code for digital assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users’ personal information and/or resulted in the theft of users’ digital assets. The cryptography underlying digital assets could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take digital assets from users, which could adversely affect public confidence in digital assets generally. Moreover, functionality of a blockchain network may be negatively affected such that it is no longer attractive to users, thereby dampening demand for digital assets. Any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect QCAD Tokens.

### ***Disputes on the Development of a Network may lead to Delays in the Development of the Network***

There can be disputes between contributors on the best paths forward in building and maintaining a blockchain network’s software. Furthermore, the miners supporting the network and companies using it can disagree with the contributors as well, creating greater debate. The blockchain community often iterates slowly upon contentious protocol issues, which many perceive as prudently conservative, while others worry that it inhibits innovation.

### ***A Blockchain may Temporarily or Permanently Fork and/or Split***

Most software and protocols developed in connection with a blockchain network are open source. When a modification is released by the developers and a substantial majority of eligible stakeholders consent to the modification, the change

is implemented, and the network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “hard fork” (i.e., a split) of the network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets.

For example, following long-term debate on how to scale the Bitcoin Network’s transaction capacity, on August 1, 2017, the digital currency forked into Bitcoin Classic (BTC) and Bitcoin Cash (BCH). On October 24, 2017, bitcoin further forked to create Bitcoin Gold (BTG). Bitcoin Classic, Bitcoin Cash and Bitcoin Gold continue to exist today, and though their combined value exceeds the value of the Bitcoin Network prior to the fork, future forking events could prove substantially more detrimental to the value of the Bitcoin Network.

Although forks are likely to be addressed by a community-led effort to merge the two groups, such a fork could adversely affect digital assets’ viability, which could in turn adversely affect QCAD Tokens.

### ***Dependence on the Internet***

Users and developers access blockchains via the internet. Digital assets miners relay transactions to one another via the internet, and when blocks are mined, they are also forwarded via the internet. Thus, blockchain networks are dependent upon the continued functioning of the internet.

### ***Risk if an Entity Gains a 51% Share of a Network***

Depending on the governance structure of a blockchain, in some cases, if an entity gains control of over 51% of the compute power (hash rate), the entity could use its majority share to double spend digital assets. Essentially, the entity would send digital assets to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends those same digital assets to another entity under its control. After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in that blockchain network to store value and serve as a means of exchange, which may significantly decrease the value of the digital assets.

### ***Attacks on the Network***

Blockchain networks are periodically subject to distributed denial of service attacks to clog the list of transactions being tabulated by miners, which can slow the confirmation of authentic transactions. Another avenue of attack would be if a large number of miners were taken offline, as it could take some time before the difficulty of the mining process algorithmically adjusts, which would stall block creation time and therefore transaction confirmation time. Thus far these scenarios have not plagued networks for long or in a systemic manner.

## **DISTRIBUTION POLICY**

### **Distributions**

A QCAD Holder is not entitled to any of the revenues that are generated by the Reserve Assets. The Issuer anticipates that its expenses will be equal to or will exceed its income such that it does not expect to be liable for tax in a taxation year. In the event that the Issuer has net income and/or net realized capital gains in a particular taxation year, the Trust Agreement requires that the Issuer distributes its net income and net realized capital gains for each taxation year to the Servicer, in its capacity as a beneficiary, to such an extent that the Issuer will not be liable in respect of the taxation year for ordinary income tax. Other than the aforementioned distribution, if applicable, there is currently no intention to pay or distribute any amounts received by the Issuer.



## **PURCHASES OF QCAD TOKENS**

### **Continuous Distribution**

QCAD Tokens are issued and sold on a continuous basis and there is no maximum number of QCAD Tokens that may be issued.

For every QCAD Token to be minted, an equivalent amount in fiat currency is transferred to the Reserve Account. Once the fiat currency has been confirmed received in the Reserve Account, the equivalent amount of QCAD Tokens are created on the public blockchain. No QCAD Token will ever be minted prior to the fiat currency being confirmed received in the Reserve Account.

For every QCAD Token redeemed, an equivalent amount of QCAD Tokens will be permanently destroyed in a process known as “burning”. Following the burning process, the equivalent amount of fiat currency will be transferred to the Authorized Participant or Qualified Holder. No fiat currency will ever be transferred to an Authorized Participant or Qualified Holder from the Reserve Account without confirmation of the associated QCAD Tokens being burned.

### **Purchasing QCAD Tokens**

QCAD Tokens can only be purchased directly from the Issuer by Authorized Participants that have entered into a QCAD Purchase and Redemption Agreement with the Servicer. The QCAD Purchase and Redemption Agreements enable Authorized Participants to, amongst other things, purchase QCAD Tokens directly from the Issuer which will direct the Servicer to “mint” the appropriate number of QCAD Tokens in accordance with the QCAD Servicing Agreement.

An Authorized Participant can purchase QCAD Tokens in accordance with the terms of the QCAD Terms and Conditions and its QCAD Purchase and Redemption Agreement. Authorized Participants will purchase QCAD Tokens from the Issuer through the Servicer on a 1:1 basis (i.e., 1 CAD for 1 QCAD). The Issuer and the Servicer do not currently charge QCAD Holders any fees in connection with the purchase of QCAD Tokens. In the event the Issuer or Servicer implement a fee in connection with the purchase or redemption of QCAD Tokens, they shall provide a minimum of 30 days notice prior to charging any fees. An updated copy of the QCAD Terms and Conditions shall concurrently be made available on the Stablecorp website ([www.stablecorp.ca](http://www.stablecorp.ca)) and under the Issuer’s profile on [www.sedarplus.ca](http://www.sedarplus.ca)), at which point such fee shall only be applicable to purchases of QCAD Tokens after such date.

### **Authorized Participants**

Authorized Participants are expected to include CTPs that have satisfied the Servicer’s onboarding criteria, which includes financial and reputational due diligence and confirming registration status. The Servicer takes commercially reasonable efforts to verify, at the time of onboarding and on a reasonably periodic basis thereafter, that each Authorized Participant is in material compliance with the laws in Canada including without limitation, any proceeds of crime legislation, and any applicable deposit broker and consumer and investor protection legislation.

### **End Users**

Authorized Participants may sell QCAD Tokens to end users and may charge brokerage commissions on such sales. End users may withdraw QCAD Tokens from accounts with CTPs, send and receive payments in QCAD Tokens and transfer QCAD Tokens on a peer-to-peer basis. End users do not have the right to redeem QCAD Tokens directly from the Issuer (through the Servicer) unless they are a Qualified Holder. An end user may become a Qualified Holder as described below under “Redemption of QCAD Tokens – Redemptions by Qualified Holders”.

## **Special Considerations for QCAD Holders**

The Servicer, on behalf of the Issuer, has obtained exemptive relief from the Securities Regulatory Authorities from certain requirements under Canadian Securities Legislation that would typically be applicable to reporting issuers. For a summary of the exemptive relief obtained by the Issuer, see “Exemptions and Approvals”.

## **REDEMPTION OF QCAD TOKENS**

### **Redemptions by Qualified Holders**

Qualified Holders may, subject to certain conditions, redeem their QCAD Tokens for the Reference Value directly from the Issuer through the Servicer. Such conditions will generally include the presence of circumstances that would render the sale of QCAD Tokens via the facilities of a CTP impractical or impossible (e.g. where the amount offered for a QDAC Token by the CTP for an exchange was below 1 CAD). In addition, the QCAD Terms and Conditions set out the qualifying criteria that must be met in order to qualify as a Qualified Holder and have a right to redeem QCAD Tokens directly from the Issuer through the Servicer. There are two types of Qualified Holders: Institutional Qualified Holders and Retail Qualified Holders. An Institutional Qualified Holder is an entity acceptable to the Issuer who has provided a complete application and entered into a QCAD Purchase and Redemption Agreement with the Issuer and the Servicer and whose status as such has not been revoked by the Servicer. A Retail Qualified Holder is a QCAD Holder who is not an Institutional Qualified Holder and who has submitted a complete application to the Servicer and has established an account with the Servicer in accordance with the QCAD Terms and Conditions. A non-Qualified Holder is not able to redeem their QCAD Tokens directly through the Issuer, but may sell their QCAD Tokens to an Authorized Participant, a Qualified Holder or to another person.

In addition, QCAD Purchase and Redemption Agreement sets out the circumstances in which the Issuer, acting reasonably, may decline to act on a redemption request. This includes instances where (a) the information contained in the Redemption Request is insufficient or incomplete; (b) the Redemption Request has not been accurately transmitted or is not genuine; (c) the Redemption Request cannot be accepted because the Servicer has suspended Redemptions; or (d) acting upon the Redemption Request would be contrary to Applicable Law, or any court order or other legal process.

The Issuer and the Servicer do not currently charge Qualified Holders any fees in connection with the redemption of QCAD Tokens. In the event the Issuer or Servicer implement a fee in connection with the purchase or redemption of QCAD Tokens, they shall provide a minimum of 30 days notice prior to charging any fees. An updated copy of the QCAD Terms and Conditions shall concurrently be made available on the Stablecorp website ([www.stablecorp.ca](http://www.stablecorp.ca)) and under the Issuer’s profile on [www.sedarplus.ca](http://www.sedarplus.ca)), at which point such fee shall only be applicable to redemptions of QCAD Tokens after such date.

### **Suspension of Redemptions**

The Servicer may suspend the redemption of QCAD Tokens for the whole or any part of a period during which the Servicer determines that conditions exist that render impractical the redemption of the QCAD Tokens or that impair the ability to determine the value of the assets of the Reserve Assets. The suspension may apply to all redemption requests received prior to the suspension but as to which payment has not been made. The Servicer will not accept any redemption requests nor any minting requests while the suspension is in effect. The Servicer shall advise all QCAD Holders of the suspension and that any redemption requests submitted prior to the suspension will be processed as soon as practicable following the termination of the suspension. All such QCAD Holders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate on the first day following which the conditions giving rise to the suspension have ceased to exist. To the extent not inconsistent with any rules and regulations promulgated by any government body having jurisdiction over the Servicer, any declaration of suspension made by the Servicer shall be conclusive.

## INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act for a prospective purchaser of a QCAD Token who, for the purpose of the Tax Act at all relevant times is resident in Canada, is not affiliated and deals at arm's length with the Issuer and the Servicer, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to the QCAD Tokens (a "**Resident Holder**"). This summary is based on the assumption that the QCAD Tokens are characterized as commodities pursuant to the CRA's general position regarding virtual currencies. If the QCAD Tokens are characterized differently, the income tax consequences described herein will be materially different.

This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current published administrative policies and assessing practices of the CRA publicly available prior to the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is not applicable to a holder: (i) that has made a "functional currency" election under section 261 of the Tax Act, (ii) that is a "financial institution" as defined in the Tax Act for the purposes of the mark-to-market rules, (iii) that is a "specified financial institution" as defined in the Tax Act, or (iv) that has entered into or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" as those terms are defined in the Tax Act, with respect to the QCAD Tokens. Any such holder to which this summary does not apply should consult its own tax advisors.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective purchasers should therefore consult their own tax advisors about their particular circumstances.**

### **Taxation of QCAD Holders**

The CRA has stated that it generally treats virtual currencies as a commodity for purposes of the Tax Act. The CRA has expressed the opinion that gains (or losses) resulting from transactions in commodities should generally be treated for tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. **QCAD Holders should consult their own tax advisors with regard to the tax treatment of their QCAD Tokens based on their particular circumstances.**

#### *Distributions*

QCAD Holders will not receive any distributions from the Issuer.

#### *Disposition of QCAD Tokens – Income Account*

If a QCAD Token is held on income account, any such gain (or loss) should be fully included (or deducted) in computing the income of the QCAD Holder for the taxation year in which the disposition or deemed disposition (including a redemption of the QCAD Token) occurs.

#### *Disposition of QCAD Tokens – Capital Account*

If a QCAD Token is held on capital account, upon the actual or deemed disposition of a QCAD Token (including a redemption of a QCAD Token), a capital gain (or a capital loss) will generally be realized by the QCAD Holder to the extent that the proceeds of disposition of the QCAD Token exceed (or are less than) the aggregate of the adjusted cost base to the QCAD Holder of the QCAD Token and any reasonable costs of disposition. In general, the adjusted cost base of all QCAD Tokens held by the QCAD Holder is the total amount paid for the QCAD Tokens, regardless of when the QCAD Holder bought them, less the adjusted cost base of any QCAD Tokens previously disposed of by the QCAD Tokens. For the purpose of determining the adjusted cost base of QCAD Tokens to a QCAD Holder, when

QCAD Tokens are acquired, the cost of the newly acquired QCAD Tokens are averaged with the adjusted cost base of all QCAD Tokens owned by the QCAD Holder as capital property immediately before that time.

#### *Taxation of Capital Gains and Capital Losses*

Under the currently enacted rules in the Tax Act, a Resident Holder is required to include in computing its income one-half of the amount of any capital gain (a “**Taxable Capital Gain**”) realized in the year, and is required to deduct one-half of the amount of any capital loss (an “**Allowable Capital Loss**”) realized in a taxation year from Taxable Capital Gains realized in the year by such Resident Holder subject to and in accordance with detailed rules in the Tax Act. Allowable Capital Losses in excess of Taxable Capital Gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against Taxable Capital Gains realized in such year to the extent and under the circumstances described in the Tax Act.

Capital gains realized by a Resident Holder that is an individual (other than certain trusts) may result in such holder being liable for alternative minimum tax under the Tax Act. QCAD Holders should consult their own tax advisors in this regard.

#### **Taxation of Registered Plans**

QCAD Tokens are not a “qualified investment” within the meaning of the Tax Act for Registered Plans.

### **ORGANIZATION AND MANAGEMENT DETAILS**

#### **The Trust**

The Issuer is a special purpose trust established under the laws of the province of Ontario. Odyssey Trust Company is the trustee of the Issuer and the provisions and features of the trust are set forth in a trust agreement (the “**Trust Agreement**”). The Issuer was established for the sole purpose of: (i) holding registered title to the Trust Property; and (ii) maintaining the Reserve Assets. The sole beneficiary of the Issuer is the Servicer. The beneficial interest of the Servicer is limited to the right to receive, in accordance with the terms of the Trust Agreement: (i) distributions when and as declared, if any; and (ii) the net proceeds of liquidation of the Trust Property upon termination of the Issuer, after satisfaction of all liabilities of the Issuer including the liabilities owed by the Issuer to the QCAD Holders. See “Material Contracts – Trust Agreement” below.

#### **The Servicer**

The Servicer, a corporation established under the federal laws of Canada and which is based in Toronto, Ontario, is the administrator and servicing agent of the Issuer pursuant to the QCAD Servicing Agreement. Pursuant to the QCAD Servicing Agreement, the Servicer is responsible for managing the QCAD Program, which includes overseeing the issuance and redemption of QCAD Tokens, which activities are also referred and result in the “minting” and “burning” of QCAD Tokens. The Servicer is a MSB and is permitted to conduct virtual currency dealings and is registered with FINTRAC. The Servicer is a wholly owned subsidiary of Stablecorp, a corporation established under the federal laws of Canada.

Stablecorp is a Canadian-operated technology company that leverages blockchain technology to enhance the financial services and payments experience, as well as the associated payment support solutions for individual and corporate users.

#### ***Officers and Directors of the Servicer***

The board of directors of the Servicer currently consists of three members. The name, municipality of residence and office with the Servicer of each director and senior officer is set out below. The directors do not have a fixed term of office.

<u>Name</u>	<u>Municipality of Residence</u>	<u>Office with the Servicer</u>	<u>Principal Occupation</u>
Alex McDougall	Toronto, Ontario	President, Chief Executive Officer and Director	President and Chief Executive Officer of Stablecorp
Julie Paterson	Toronto, Ontario	Chief Operating Officer, Chief Compliance Officer and Director	Chief Operating Officer and Chief Compliance Officer of Stablecorp
Kesem Frank	Toronto, Ontario	Director	President of Mavennet Systems Inc.
Ross McKee	Toronto, Ontario	Counsel	Legal Advisor

A description of the experience and background relevant to the QCAD Program and information regarding the principal occupations held by the above noted individuals during the past five years is set out below.

#### Alex McDougall

Alex McDougall is the President and Chief Executive Officer of Stablecorp. Prior to being named Chief Executive Officer in June 2022, Mr. McDougall served as the President and Chief Operating Officer from June 2021 to June 2022. Mr. McDougall previously was a Managing Director and Associate Advising Representative at 3iQ Corp. and the Chief Investment Officer and co-founder of Bicameral Ventures Inc. Prior to co-founding Bicameral Ventures Inc. in 2018, Mr. McDougall was an Investment Banking Associate at BMO Capital Markets and a Senior Underwriter with Export Development Canada. Mr. McDougall is a CFA Charter Holder and holds an MBA from the Rotman School of Management at the University of Toronto.

#### Julie Paterson

Julie Paterson serves as the Chief Operating Officer and Chief Compliance Officer of Stablecorp. With over 20 years of experience in the technology sector, Julie has held senior management roles in a wide range of global industries, including automotive, healthcare and fintech. She holds a Bachelor's degree in Engineering and a Master's degree in Computational Science from the University of Stuttgart, Germany. At Stablecorp, Julie oversees all operational aspects, ensuring efficiency and driving strategic growth initiatives.

#### Kesem Frank

Kesem Frank is a director of Stablecorp and the President of Mavennet Systems Inc., an innovative venture studio and a leader in the technology consulting space. Formerly a Senior Consultant with Deloitte Canada, Mr. Frank has also served as a mentor for several accelerator programs including Techstars, Creative Destruction Lab and the Founders Institute. Mr. Frank holds an MBA from the Rotman School of Management at the University of Toronto.

#### Ross McKee

Ross McKee was a securities lawyer and partner with the firm of Blake, Cassels & Graydon LLP from 1983 to December 2019 and has been in private legal practice since January 2020. During the period from January 2021 until

December 2022, Mr. McKee was a director of 3iQ Corp., a digital asset manager, and its parent company, 3iQ Digital Holdings Inc.

### **Conflicts of Interest**

The Servicer is compensated by the income generated by the Reserve Assets. The Issuer is subject to investment restrictions which govern how Reserve Assets may be invested or held. As a result, the discretion of the Servicer in administering the Reserve Assets is limited. The Servicer does not receive fees in connection with the purchase or redemption of QCAD Tokens. The Servicer does not receive any compensation from Authorized Participants in connection with the sale or distribution of QCAD Tokens. The Servicer may pay a fee to Authorized Participants. The Service Fee shall be primarily used to fund the costs associated with administering the QCAD Program, as well as the development of additional products and related technologies. The Servicer may pay a portion of its Service Fee to certain Authorized Participants as compensation for the technology infrastructure and other costs of making QCAD Tokens available on their platforms.

### **Promoters**

The Servicer is also the promoter of the Issuer. The Servicer took the initiative in founding and organizing the Issuer and is, accordingly, the promoter of the Issuer within the meaning of Canadian Securities Legislation. The Servicer is compensated by the income generated by the Reserve Assets. Alex McDougall is also considered to be a promoter of the Issuer as Mr. McDougall took the initiative in founding and organizing the Servicer and Issuer and holds one unit of the Issuer in his capacity as settlor of the Issuer. Mr. McDougall is relying on the criteria set forth in Coordinated Blanket Order 41-930 *Exemptions from Certain Prospectus and Disclosure Requirements* dated April 17, 2025, from the need to provide an independent promoter certificate provided that the prospectus includes a certificate signed by that individual in a capacity.

### **Custodian**

Tetra is the custodian of the assets of the QCAD Program, pursuant to the Custodian Agreement. The Custodian is a provincially regulated trust company based in Calgary, Alberta and provides services to the QCAD Program from its office in Calgary, Alberta. The Custodian is responsible for safekeeping of all Reserve Assets delivered to it. The Custodian may appoint a qualified custodian as sub-custodian from time to time, subject to the approval of the Issuer.

The Servicer, on behalf of the QCAD Program, or the Custodian may terminate the Custodian Agreement upon at least 90 days' written notice. The Servicer, on behalf of the QCAD Program, may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the QCAD Program under applicable law. The Custodian may terminate the Custodian Agreement on 60 days' written notice to the Servicer in the event that the Custodian has delivered a termination notice to any sub-custodian, or is entitled to deliver a termination notice to any sub-custodian upon the occurrence of certain termination events, pursuant to the terms of any sub-custodian agreement. The Custodian is entitled to receive fees from the QCAD Program as described under "Fees and Expenses – Fees and Expenses Payable by the Issuer – Operating Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the QCAD Program.

The Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the Reserve Assets, is required to exercise (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, or (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in (a).

### **Trustee**

Odyssey Trust Company, at its principal offices in Toronto, Ontario, is the trustee of the Issuer. Odyssey was established in 2017 and became a federally licensed trust company in 2022. Odyssey Trust Company currently operates as a full-service corporate trust service provider, regularly acting as trustee on behalf of private and public companies, special purpose trusts, investment funds and voting trusts. Odyssey Trust Company has several transfer agent clients operating in the digital asset sector.

## **Auditor**

Kingston Ross Pasnak LLP, at its principal offices in Edmonton, Alberta, is the auditor of the Issuer.

## **CALCULATION OF RESERVE ASSETS**

### **Calculation of Reserve Assets**

All Canadian dollars received in exchange for the issuance of QCAD Tokens are held by the Issuer as Reserve Assets. The Reserve Assets consist of: (i) Canadian currency; (ii) investments that are evidence of indebtedness with a remaining term to maturity of 90 days or less and that are issued, or fully and unconditionally guaranteed as to principal and interest, by the government of Canada; or (iii) securities issued by one or more money market funds denominated in Canadian dollars which are licensed, regulated or authorized by a regulatory authority in Canada or the United States of America.

The Reserve Assets are custodied with Tetra, which is a “Canadian custodian” as defined in NI 31-103. Tetra holds the Reserve Assets in segregated “In Trust For” accounts with Canadian financial institutions and such accounts are clearly designated for the benefit of QCAD Holders.

The Servicer ensures that the fair value of the Reserve Assets is at least equal to the aggregate nominal (face) value of all outstanding QCAD Tokens at least once each day. The Servicer maintains daily accounts of: (i) the market value of the Reserve Assets; (ii) the supply of issued QCAD Tokens; and (iii) such other information as may be required by the CSA from time to time. The Reserve Assets are measured at fair value in accordance with Canadian GAAP for publicly accountable enterprises. The Reserve Assets may not be encumbered or pledged as collateral at any time, and the Issuer shall not borrow or lend assets of any kind.

### **Reporting of Monthly Attestations and Annual Financial Statements**

Every month, the Servicer publishes the Monthly Attestation prepared by the Auditor. The Monthly Attestations indicate that the Reserve Assets are at least equal to the amount of QCAD Tokens in circulation as of the end of the particular month and on at least one randomly selected day during the particular month. The Monthly Attestations are made publicly accessible in a timely manner on Stablecorp’s website at [www.stablecorp.ca](http://www.stablecorp.ca). Stablecorp also provides such information at no cost to the QCAD Holders who so request by emailing Stablecorp at [info@stablecorp.ca](mailto:info@stablecorp.ca). The Monthly Attestations will also be filed under the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Monthly Attestations include, for the last day of the month and at least one randomly selected day during the particular month: (i) details of the composition of the Reserve Assets; (ii) the fair value of the Reserve Assets; and (iii) the quantity of all outstanding QCAD Tokens.

The Monthly Attestations comply with the following requirements as set out in Staff Notice 21-333:

- (a) each Monthly Attestation provides reasonable assurance in respect of the assertion by the Servicer that the Issuer has met the following requirements as at the last business day of the preceding month and at least one randomly selected day during the preceding month: (i) the Issuer maintains a reserve of assets that is comprised of any of the following: (1) Canadian currency; (2) investments that are evidence of indebtedness with a remaining term to maturity of 90 days or less and that are issued, or fully and unconditionally guaranteed as to principal and interest, by the government of Canada; (3) securities issued by one or more money market funds denominated in Canadian dollars which are licensed, regulated or authorized by a regulatory authority in Canada or the United States of America; or (4) such other assets that the securities regulatory authority where the Issuer is domiciled has consented to in writing; (ii) all of the assets that comprise the reserve of assets are: (1) measured at fair value in accordance with Canadian GAAP (as such term is defined in Staff Notice 21-333) for publicly accountable enterprises at the end of each day; (2) held with a Qualified Custodian (as such term is defined in Staff Notice 21-333); (3) held in an account clearly designated for the benefit of the QCAD Holders; (4) held separate and apart from the assets of the Issuer and

its affiliates and from the reserve of assets of any other crypto asset, so that, to the best of the knowledge and belief of the Issuer after taking steps that a reasonable person would consider appropriate, including consultation with experts such as legal counsel, no creditors of the Issuer other than the QCAD Holders in their capacity as QCAD Holders, will have recourse to the Reserve Assets, in particular in the event of insolvency; and (5) not encumbered or pledged as collateral at any time; and (iii) the fair value of the Reserve Assets is at least equal to the aggregate nominal value of all outstanding QCAD Tokens at least once each day.

- (b) the randomly selected day referred to in subparagraph (a) is selected by the public accountant and disclosed in the Monthly Attestation;
- (c) for each day referred to in subparagraph (a), the Servicer's assertion includes all of the following: (i) details of the composition of the reserve of assets; (ii) the fair value of the reserve of assets in paragraph (a)(ii)(1) above; and (iii) the quantity of all outstanding QCAD Tokens and their aggregate nominal value; and
- (d) the Monthly Attestation is prepared in accordance with the Handbook, International Standards on Assurance Engagements or attestation standards established by the American Institute of Certified Public Accountants (as such terms are defined in Staff Notice 21-333).

Every year, the Auditor will perform an audit of the Issuer and will produce the Annual Financial Statements. The Annual Financial Statements will be posted on Stablecorp's website at [www.stablecorp.ca](http://www.stablecorp.ca) within 120 days of the end of each respective year. The Annual Financial Statements will also be filed under the Issuer's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Servicer anticipates that the initial Annual Financial Statements will be posted in June of 2025.

#### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Servicer receives fees for its services to the QCAD Program. See "Fees and Expenses" above. The Issuer distributes its net income and net realized capital gains, if any, for each taxation year to the Servicer to such an extent that the Issuer will not be liable in respect of the taxation year for ordinary income tax. See "Distribution Policy" above. Shareholders of the Servicer may purchase QCAD Tokens on their own behalf or on behalf of clients managed by them.

#### **MATERIAL CONTRACTS**

The following contracts can reasonably be regarded as material to purchasers of QCAD Tokens:

- (a) the Trust Agreement;
- (b) the Custodian Agreement;
- (c) the form of Purchase and Redemption Agreement; and
- (d) the QCAD Servicing Agreement (collectively, the "**Material Contracts**").

Copies of the agreements referred to above may be inspected during business hours at the registered office of the Servicer. Brief descriptions of each of the Material Contracts are set out below.

##### **Trust Agreement**

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of QCAD Holders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances. The Trustee may resign as trustee of the Issuer upon 60 days' notice to the Servicer. If the Trustee resigns or is removed by the Servicer in accordance with the Trust Agreement, the successor will be appointed by the Servicer.



The Trustee is entitled to fees for its services as trustee under the Trust Agreement as described under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Operating Expenses”. In addition, the Trustee and its affiliates and each of their directors, officers, employees, and agents are indemnified by the Issuer for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Trustee’s duties under the Trust Agreement, if they do not result from the Trustee’s wilful misconduct, bad faith, gross negligence or breach of its standard of care and duty thereunder.

The services of the Trustee are not exclusive and nothing in the Trust Agreement or any agreement prevents the Trustee from providing similar services to other clients or from engaging in other business activities.

### **Custodian Agreement**

Tetra is the custodian of the assets of the Issuer pursuant to the Custodian Agreement. The Custodian is a provincially regulated trust company based in Calgary, Alberta and provides services to the Issuer from its office in Calgary, Alberta. The Custodian is responsible for safekeeping of all of the Reserve Assets delivered to it.

The Servicer, on behalf of the Issuer, or the Custodian may terminate the Custodian Agreement upon at least 90 days’ written notice following the initial term of the Custodian Agreement. The Servicer, on behalf of the Issuer, may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the QCAD Program under applicable law. The Custodian is entitled to receive fees from the Issuer as described under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Operating Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Issuer.

The Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the Reserve Assets, is required to exercise (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in (a).

### **Form of Purchase and Redemption Agreement**

The form of Purchase and Redemption Agreement outlines the terms and conditions associated with the purchase and redemption of QCAD Tokens by Authorized Participants. Each Purchase and Redemption Agreement will be entered into by the Issuer, the Servicer and an Authorized Participant. Pursuant to the form of Purchase and Redemption Agreement, Authorized Participants can purchase and redeem QCAD Tokens directly from the Issuer through the Servicer on a 1:1 basis. The form of Purchase and Redemption Agreement also outlines the terms and conditions associated with the sale of QCAD Tokens by Authorized Participants to end users.

Pursuant to the form of Purchase and Redemption Agreement, Authorized Participants shall comply with the QCAD Terms and Conditions and shall maintain any necessary licenses or exemptions therefrom in order to be able to transact QCAD Tokens.

The term of each Purchase and Redemption Agreement shall commence on the effective date of the particular Purchase and Redemption Agreement and, unless earlier terminated, continue for an initial term of one (1) year (the “**AP Initial Term**”). Thereafter, unless any party provides notice in writing at least 30 days prior to the end of the AP Initial Term or any AP Renewal Term (defined below), as applicable, of its intention not to renew the Purchase and Redemption Agreement, contemporaneously with the end of the AP Initial Term or such AP Renewal Term, as applicable, the then-current term shall automatically renew for one (1) additional year (an “**AP Renewal Term**”).

### **QCAD Servicing Agreement**

The QCAD Servicing Agreement outlines the duties of, and services provided by, the Servicer. Pursuant to the QCAD Servicing Agreement, the Servicer is responsible for managing the QCAD Program, which includes overseeing the following (among other things): (i) the issuance and redemption of QCAD Tokens, which activities are also referred to as the “minting” and “burning” of QCAD Tokens; (ii) the mandatory reporting and attestation associated with the QCAD Program; (iii) liquidity management; and (iv) management of the Reserve Account.

The term of the QCAD Servicing Agreement shall commence on the effective date of the QCAD Servicing Agreement and, unless earlier terminated, continue for an initial term of one (1) year (the “**Initial Term**”). Thereafter, unless either the Servicer notifies the Issuer or the Issuer notifies the Servicer in writing at least 180 days prior to the end of the Initial Term or any Renewal Term (defined below), as applicable, of its intention not to renew the QCAD Servicing Agreement, contemporaneously with the end of the Initial Term or such Renewal Term, as applicable, the then-current term shall automatically renew for one (1) additional year (a “**Renewal Term**”).

Pursuant to the QCAD Servicing Agreement, the Servicer may suspend the redemption of QCAD Tokens for the whole or any part of a period during which the Servicer determines that conditions exist that render impractical the redemption of the QCAD Tokens or that impair the ability to determine the value of the assets of the Reserve Assets. The suspension may apply to all redemption requests received prior to the suspension but as to which payment has not been made.

In consideration for the services provided by the Servicer pursuant to the QCAD Servicing Agreement, the Issuer shall pay to the Servicer the Service Fee, as described under “Fees and Expenses – Fees and Expenses Payable by the Issuer – Service Fees”.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The Issuer and the Servicer are not involved in any legal proceedings nor is the Servicer aware of existing or pending legal or arbitration proceedings involving the Servicer or the Issuer.

## **EXPERTS**

Mintz LLP, legal counsel to the Issuer and the Servicer, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to a purchase of QCAD Tokens by a purchaser resident in Canada. See “Income Tax Considerations” and “Income Tax Considerations – Status of the Issuer”.

Kingston Ross Pasnak LLP at its principal offices in Edmonton, Alberta, is the auditor of the Issuer and has consented to the incorporation by reference of its statement of financial position as at May 1, 2025. The Auditor has confirmed that it is independent with respect to the Issuer and the Servicer within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

## **EXEMPTIONS AND APPROVALS**

The Servicer, on behalf of the Issuer, has obtained exemptive relief from the Securities Regulatory Authorities to permit or relieve the Issuer from the following:

- (a) the requirement under Canadian Securities Legislation that a prospectus contain a certificate of the underwriters;
- (b) the certificate form requirements in subsections 5.3(2) and 5.11(2) of NI 41-101;
- (c) certain requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, including the requirement to prepare and file interim financial statements and management discussion and analysis;
- (d) the requirements of National Instrument 52-110 *Audit Committees*;
- (e) the requirements of National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* and National Instrument 55-104 *Insider Reporting Requirements and Exemptions* with respect to insider reporting requirements;
- (f) the requirements of Part 2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*; and

- (g) the requirements of subsection 8.2(1) of NI 41-101.

### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after the later of providing public access to the prospectus (i.e., filing on SEDAR+ and issuing a press release) and the date the purchaser enters into an agreement to purchase such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The Issuer has obtained exemptive relief from the requirement in Canadian Securities Legislation to include an underwriter's certificate in this prospectus under a decision pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. See "Exemptions and Approvals" above. As such, purchasers of QCAD Tokens will not be able to rely on the inclusion of an underwriter's certificate in this prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that signed an underwriter's certificate. The purchaser should consult with a legal advisor.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Additional information about the QCAD Program is available in the following documents:

- (a) the Monthly Attestations;
- (b) the Annual Financial Statements; and
- (c) the QCAD Terms and Conditions.

These documents are incorporated by reference in this prospectus, which means that they legally form part of this prospectus. These documents are publicly available on Stablecorp's website at [www.stablecorp.ca](http://www.stablecorp.ca) and may be obtained upon request, at no cost, by emailing Stablecorp at [info@stablecorp.ca](mailto:info@stablecorp.ca). These documents and other information about the QCAD Program are publicly available under the Issuer's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). In addition, any such types of documents, if filed by the Issuer after the date of this prospectus and before the termination of the distribution of QCAD Tokens, are deemed to be incorporated by reference into this prospectus.

## **CERTIFICATE OF THE ISSUER**

Dated: June 10, 2025

This prospectus, together with the documents incorporated herein by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the QCAD Tokens offered by this prospectus as required by the securities legislation of Ontario.

**Stablecorp Digital Currencies Inc.**  
**(as Servicer on behalf of QCAD Digital Trust)**

By: "*Alex McDougall*"  
Alex McDougall  
Chief Executive Officer and President

By: "*Julie Paterson*"  
Julie Paterson  
Chief Operating Officer and Chief Compliance Officer

**On behalf of the Board of Directors of**  
**Stablecorp Digital Currencies Inc.**  
**(as Servicer on behalf of QCAD Digital Trust)**

By: "*Alex McDougall*"  
Alex McDougall  
Director

By: "*Julie Paterson*"  
Julie Paterson  
Director

By: "*Kesem Frank*"  
Kesem Frank  
Director

## **CERTIFICATE OF THE PROMOTER**

Dated: June 10, 2025

This prospectus, together with the documents incorporated herein by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the QCAD Tokens offered by this prospectus as required by the securities legislation of Ontario.

### **Stablecorp Digital Currencies Inc.**

By: "*Alex McDougall*"  
Alex McDougall  
Chief Executive Officer and President

By: "*Julie Paterson*"  
Julie Paterson  
Chief Operating Officer and Chief Compliance Officer

### **On behalf of the Board of Directors of Stablecorp Digital Currencies Inc.**

By: "*Alex McDougall*"  
Alex McDougall  
Director

By: "*Julie Paterson*"  
Julie Paterson  
Director

By: "*Kesem Frank*"  
Kesem Frank  
Director