Form 45-106F2
Offering Memorandum for Non-Qualifying Issuers

Date:	October 31, 2017
The Issuer:	**Ellison Rains Enterprises Inc.** (the **"Issuer"**)
Head office:	2837 Cambie Street, Vancouver, BC V5Z 3Y8 Phone #: (778) 866-9041 E-mail address: garry@ellisonrains.com
Currently listed or quoted?	**These securities do not trade on any exchange or market**.
Reporting issuer?	No
SEDAR filer?	No

The Offering

Securities offered:	Common Shares ("Shares"). See Item 4.1 — Share Capital.
Price per security:	Fifty cents ($0.50) per Share
Maximum offering:	Maximum offering of one million (1,000,000) Shares for aggregate gross proceeds of five hundred thousand dollars ($500,000) (the "Offering").
Minimum offering:	Minimum offering of two hundred thousand (500,000) Shares for aggregate gross proceeds of two hundred and fifty thousand dollars ($250,000). **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum subscription amount:	Two Hundred and Fifty dollars ($250)
Payment terms:	Payment in full in Canadian funds by wire transfer, certified cheque, bank draft or money order payable to "Ellison Rains Enterprises, Inc." See Item 5.2 – Subscription Procedure.
Proposed closing date(s):	Subject to the minimum offering being attained, this is a continuous offering. The Issuer may terminate the Offering at any time.
Selling agent:	The Issuer may pay a sales fee to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in amount not to exceed 12% of the subscriptions monies obtained by such persons.

Resale restrictions:	You will be restricted from selling your Shares for an indefinite period. You will be restricted from selling your securities for an indefinite period. See Item 10 – "Resale Restrictions". Unless permitted under applicable securities legislation, you cannot trade the securities before the date that is four (4) months and one (1) day after the date the Issuer becomes a reporting issuer in any province or territory of Canada. Transfers of the Shares will also be restricted by the terms of a voting trust agreement, (the "Voting Trust Agreement") as may be amended from time to time, to be entered into by the subscriber concurrently with tendering a subscription for Shares to the Issuer. See Item 10 – Resale Restrictions.
Purchaser's rights:	You have 2 business days after execution of a Subscription Agreement to cancel your agreement to purchase the securities described in this Offering Memorandum. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel your agreement to purchase the securities described herein. See Item 11 **-** "Purchasers' Rights".

The Issuer conditionally offers the Shares for sale by way of private placement to qualified investors who are residents of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia and in such other jurisdictions where it may be permitted to do so. Subscriptions will be received if, as and when accepted, subject to satisfaction of the conditions set forth under "Subscription Procedure" and to the right of the Trustee to close the subscription books at any time without notice. Closings will be held from time to time as determined by the Trustee. See "Prior Sales" and "Subscription Procedure".

No action has been or will be taken to permit a public offering of the Shares in any jurisdiction. Accordingly, the distribution or circulation of this Offering Memorandum and the offering and sale of the Shares may be restricted by law in certain jurisdictions. This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Memorandum may come are directed to inform themselves of and observe such restrictions and all legal requirements of their respective jurisdictions of residence in respect of the acquisition, holding and disposition of the Shares.

Prospective Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their own legal, investment, accounting, and tax advisors concerning this investment.

The Shares will be issued only on the basis of information contained in this Offering Memorandum, and no other information or representation have been authorized nor may be relied upon as having been authorized by the Issuer. Any subscription for the Shares made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein, shall be solely at the risk of such person.

This copy of the Offering Memorandum is personal to the person to whom it is delivered and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Shares. Distribution of this Offering Memorandum to any person other than the person to whom it is delivered and those persons, if any, retained to advise such person with respect the Offering, and any disclosure of any of its contents without the prior written consent of the Issuer is prohibited. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing and undertakes to make no photocopies of or to otherwise reproduce, in whole or in part, this Offering Memorandum or any documents relating to the Offering and, if such prospective purchaser does not purchase any of the Shares or the Offering is terminated, to return promptly this Offering Memorandum and all related documents to the Issuer, if so requested by the Issuer.

Subject at all times to the discretion of the Issuer to waive such requirement, Subscribers must initially make minimum investment of $250 in Shares.

Note Regarding Forward-Looking Statements

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Issuer's future performance. All statements other than statements of historical fact are forward-looking statements. Forward looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

CURRENCY

All dollar amounts stated in this Offering Memorandum are expressed in Canadian currency, except where otherwise indicated.

Item 1: Use of Available Funds

1.1 *Funds* - The following table discloses the net proceeds of this Offering after deduction of the costs associated with the

1.2 *Offering:*

		Assuming Min. Offering	Assuming Max. Offering
A.	Amount to be raised by this offering	$250,000	$500,000
B.	Selling commissions and fees(1)	$ 15,000	$ 30,000
C.	Estimated offering costs (e.g., legal, accounting, audit.)(2)	$ 7,000	$ 7,000
D.	Available funds: D = A - (B+C)	$228,000	$463,000
E.	Additional sources of funding required	$ 0	$ 0
F.	Working capital deficiency	$ 0	$ 0
G.	Total: G = (D+E) – F	$228,000	$463,000

(1) The Issuer may pay a sales fee to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in an amount not to exceed 12% of the subscription monies.

(2) Estimated offering costs include expenses of or incidental to the issue, sale and delivery of the Shares pursuant to this Offering, including, without limitation, fees and disbursements of legal counsel and accountants, and the reasonable out-of-pocket expenses (including applicable taxes) of the Manager in connection with such issue, sale and delivery.

1.3 *Use of Available Funds* - The following table provides a detailed breakdown of how the Issuer will use the available funds:

Description of intended use of available funds listed in order of priority	Assuming Min. Offering	Assuming Max. Offering
Acquisition or developing comedy clubs and hosting comedy events	$ 200,000	$ 400,000
Digital content development	$ 0	$ 0
General and administration	$ 28,000	$ 63,000
Total: Equal to G in the Funds table above	$ 228,000	$ 463,000

The Issuer intends to use any proceeds raised under the Offering as noted above to hire employees and contractors, develop or acquire comedy clubs, organize and promote comedy events, to produce and distribute comedy content, and for marketing and general and administrative expenses. Funds raised in this regard are for the purposes of ongoing working capital, operational, management, and administrative costs.

1.4 *Reallocation* – We intend to spend the available funds as stated. The Issuer will reallocate funds only for sound business reasons.

Item 2: Business of Ellison Rains Enterprises, Inc.

2.1 *Structure* – Ellison Rains Enterprises, Inc. (the "Issuer") was incorporated under the Business Incorporations Act (British Columbia) on January 18, 2017.

2.2 *Our Business, Development and Market Overview* – The Issuer is a start-up phase company, established to make strategic acquisitions in the comedy industry, as well as to build a digital content library which can be licensed across multiple platforms including satellite radio, television, and streaming services.

With the minimum raise, the Issuer intends to develop or acquire a comedy club, organize and host comedy events in venues outside of the club, as well as commence their digital content strategy, on a small scale.

If the Issuer achieves the maximum raise, it intends to develop or acquire additional comedy clubs. The Issuer has also evaluated several comedy clubs in Canada and the US as possible acquisition targets. The Issuer's goal is to develop a network of franchise or corporate clubs to up to 60 locations across North America within the next five years.

2.3 Revenue Model - Comedy club revenues are generated by ticket sales and food and beverage sales. The Issuer's research indicates that a well-run club can generate $10 per patron for ticket sales and $13 per patron on food and beverage, on average, and can attract between 35,000 and 50,000 patrons per year. Revenues from comedy events hosted at venues other than clubs are primarily from ticket sales. The development of a digital content library of comedy shows will enhance the Issuer's brand and reputation as well as generate recurring revenue in the form of licensing fees from television broadcasters, streaming services, and satellite radio outlets. The potential addition of a mobile application (which will offer ticket promotions, merchandise, live stream comedy shows and other proprietary comedy content) is another revenue opportunity for the Issuer.

The Issuer also intends to develop co-branding and sponsorship opportunities to increase brand awareness, enhance marketing, and increase attendance and spend per attendee.

2.4 Market Overview - Total global media and entertainment revenues were $632 B in 2015. North American Theatre Box Office revenues were $11.4 B; indicating that the market for out of home entertainment is substantial. The US Live Comedy revenues in 2014 were estimated to be $300 M. Despite the increasing competition of online media content, the number of people who visited comedy clubs in the United Stated steadily increased from 14.6 million in spring 2008 to 17.6 million in spring

2016. These factors indicate that there is a large and growing market for live comedy entertainment in North America.

As examples of how the digital market for streaming services are developing (including comedy specials), Netflix has announced a $6 B content budget and Apple has announced a $1 B content budget for video. Deloitte's 2017 Media and Entertainment Industry Outlook estimates on-demand video viewers in the US will grow from 181 million in 2015 to 209 million by 2021.

2.5 ***Long Term Objectives*** **-** Within five years, the Issuer plans to build a network of 60 franchise or corporate comedy club locations across North America and build an integrated entertainment company focused on promoting comedy events, comedy tours, and festivals, and to produce and distribute comedy content across multiple platforms. The Issuer will also explore expansion outside of North America as comedy entertainment is appreciated worldwide.

2.6 *Short Term Objectives and How We Intend to Achieve Them*

The following table outlines the anticipated costs associated with the achievement of the Issuer's objectives over the next 12 months:

What we must do and how we will do it	Target completion date	Our cost to complete
Complete development or acquisition of a comedy club or host comedy events	March 2018	$ 200,000
Secure distribution contracts for digital content	June 2018	$250,000
Develop or acquire additional comedy clubs	December 2022	up to $8,793,000

2.7 *Insufficient Funds*

The proceeds of the Offering may not be sufficient to accomplish the Issuer's proposed objectives and there is no assurance that alternative financing will be available. If unforeseen events take place, there is no assurance that alternative financing will be available or, if available, may be obtained by the Issuer on reasonable terms.

2.8 ***Material Agreements*** – The Issuer has not entered into any material agreements.

Item 3: Interests of Directors, Management, Promoters and Principal Holders

3.1 ***Compensation and Securities Held*** **-** The following table sets out the specified information about each director, officer and promoter of the Issuer and each person who, directly or indirectly, beneficially owns or controls ten percent (10%) or more of any class of voting securities of the Issuer.

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Darryl Lenox Treasure Island, FL USA	CEO	FYE 2017 approx $17,500	3,475,000 Shares (55.3 %)	3,475,000 Shares (51.2%)
Garry Yuill Richmond, BC CANADA	CFO	FYE 2017 approx $10,000	2,313,000 Shares (36.8 %)	2,313,000 Shares (34.1%)

3.2 ***Management Experience*** **-** Management of the Issuer consists of Darryl Lenox, Chief Executive Officer, and Garry Yuill, Chief Financial Officer. It is the intention of the Issuer to add additional directors and staff as part of the growth plan of the Issuer.

The name and principal occupation of the directors and officers of the Issuer over the past five years are as follows:

Name	Principal occupation and related experience
Darryl Lenox	Darryl is a seasoned comic and entertainment entrepreneur, having spent 27 years performing in the best clubs, theaters, and festivals in North America, along with digital radio and television. He has made appearances on Conan O'Brien, Comedy Central, WTF with Marc Maron, Starz (TV channel), BET, and A&E (TV channel). His stand-up special "Blind Ambition" was filmed at The Vogue Theatre in Vancouver, BC and picked up by the Starz network. Some of his career accomplishments include opening for Chuck Berry and Maxi Priest, winner of Best New Play at Vancouver Fringe Festival, and winner of Seattle Comedy Competition. His extensive experience spans talent management as well as negotiations and dealings with agents, general managers, club owners, and media executives.
Garry Yuill	Garry has a BA in economics, an MBA, and is a CPA. He opened and has operated the Yuk Yuk's Vancouver comedy club for the past five years; one of the largest franchises in the Yuk Yuk's network. Garry's previous experience includes accounting and analysis for large publicly traded entertainment and media companies as well as teaching undergraduate marketing, finance, and management accounting over the past 20 years.

3.3 ***Penalties, Sanctions and Bankruptcy***

There are no penalties or sanctions that have been in effect during the last ten (10) years or any cease trade order that has been in effect for a period of more than thirty (30) consecutive days during the last ten (10) years against a director, senior officer or control person of the Issuer or against an issuer of which any of the foregoing was a director, senior officer or control person at the time.

No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years regarding those individuals or any companies of which any of those individuals was a director, officer or control person.

Item 4: Capital Structure

4.1 *Share Capital*

Description of security	Number authorized to be issued	Price per security	Number outstanding as at October 31, 2017	Number outstanding after min. Offering	Number outstanding after max. Offering
Shares	Unlimited	$0.50	5,788,000	6,288,000	6,788,000

4.2 *Long Term Debt Securities* – The Issuer has no outstanding long term debt as of the time of this offering.

4.3 *Prior Sales* – The Issuer has issued the following shares under this offering memorandum within the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
January 18, 2017	Shares	100	$1.25	$125
October 30, 2017	Shares	5,788,000	n/a share split	$0

Item 5: Securities Offered

5.1 *Terms of Securities*

The securities being offered are Shares (“Shares’).

The holders of Shares are: (i) entitled to receive notice of meetings of or vote at any meeting of shareholders of the Issuer and are entitled to one (1) vote per Share; (ii) entitled to receive dividends out of any or all profits or surplus available as and when declared by the Issuer; and (iii) upon liquidation or dissolution of the Issuer, shall be entitled to share equally in the equity of the Issuer.

Subscribers under the Offering ("Subscribers") are required to execute and deliver the voting trust agreement (the "Voting Trust Agreement") to the Issuer, in the form attached as Schedule C, to the accompanying subscription agreement. In accordance with the terms of the Voting Trust Agreement, Subscribers will, concurrently with the closing of the Offering, deposit their Shares into the trust created by the Voting Trust Agreement and transfer the legal ownership of their Shares to the trustee appointed under the Voting Trust Agreement, whereby the trustee will hold such Shares in trust for such Subscribers and will have the legal right to vote such Shares on behalf of Subscribers in accordance with the Voting Trust Agreement.

5.2 *Subscription Procedure*

Subscribers will be required to enter into a subscription agreement (the "Subscription Agreement") with the Issuer which contains, among other things, representations, warranties and covenants by both the Issuer and the Subscriber. Funds received will be held on behalf of the Subscriber for a minimum two (2) day "cooling off" period during which time the Subscriber can cancel their subscription and receive a full refund without interest or deduction.

In order to subscribe for Shares, Subscribers must complete, execute and deliver the following documentation to the Issuer: Ellison Rains Enterprises, Inc., 2837 Cambie Street, Vancouver, British Columbia, V5Z 3Y8:

i) a fully signed copy of the subscription portion of the Subscription Agreement together with all applicable schedules, duly completed and signed;

ii) payment, in full in Canadian dollars, by wire transfer, certified cheque, bank draft or money order payable to: "Ellison Rains Enterprises Inc."; and

iii) a completed and signed copy of the Voting Trust Agreement.

The schedules which are attached to the Subscription Agreement must be completed according to the jurisdiction of residence of the subscriber.

In particular:

i) If you are a resident in **British Columbia**, you must complete and return two (2) signed copies of the Risk Acknowledgement Form attached to the Subscription Agreement as Schedule "A" – it is not necessary to complete return Schedules 1 and 2 of Schedule A ;

ii) If you are a resident of **Manitoba,** you must complete and return two (2) signed copies of the Risk Acknowledgement Form attached to the Subscription Agreement as Schedule "A". If you are an individual ***and*** are purchasing Shares having an aggregate subscription price of greater than ten thousand dollars ($10,000), you must also complete and return two (2) signed copies of each of Schedule "1" and Schedule "2" ; and

iii) If you are a resident in **Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia**, you must complete and return two (2) completed and signed copies of the Risk Acknowledgement Form, attached to the Subscription Agreement as Schedule "A", as well as two (2) signed copies of each of Schedule "1" and Schedule "2".

All subscription proceeds will be held until midnight on the second (2nd) business day after the day the Subscriber signs the Subscription Agreement. In the event that such Subscriber provides the Issuer with a cancellation notice prior to midnight of the second (2nd) business day after the signing date, or the Issuer does not accept such Subscriber's subscription, all subscription proceeds will be promptly returned to such Subscriber without interest or deduction.

Subscriber Eligibility Restrictions According to Jurisdiction of Residence

Subscribers should note that dollar investment limitations have been imposed by the regulatory authorities in certain provinces in which the Offering will occur.

In ***British Columbia***, there are ***no dollar limitations*** if this Offering Memorandum is provided to Subscribers.

In ***Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick*** there are ***no dollar limitations on non-individual Subscribers***.

In ***Alberta, Manitoba, Saskatchewan, Ontario, Nova Scotia and New Brunswick***, if the Subscriber is an individual and ***is not*** an "**Eligible Investor**", purchases of Shares in any 12-month period are restricted to **$10,000**.

In ***Alberta, Saskatchewan, Ontario, Nova Scotia and New Brunswick***, if the Subscriber is an individual and ***is*** an **Eligible Investor**, purchases of Shares in any 12-month period are restricted to **$30,000**; however, if the Eligible Investor/Subscriber has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, the 12-month limitation is raised to **$100,000**.

Distribution

The Offering is being conducted in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia (the "Offering Jurisdictions") pursuant to certain statutory exemptions from the prospectus requirements set out in Section 2.9 of National Instrument 45-106 – Prospectus Exemptions. The foregoing exemptions relieve the Issuer from provisions of the application securities laws of each of the Offering Jurisdictions which otherwise would require the Issuer to file and obtain a receipt for a prospectus.

Accordingly, prospective Subscribers for Shares will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The exemptions from the registration requirements contained in the applicable securities laws of each of the Offering Jurisdictions allow the Issuer to offer the Shares for sale directly to the Subscribers.

Each Subscriber is urged to consult with their own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.

At the discretion of the Issuer, subscriptions that comply with other available exemptions from prospectus requirements under applicable securities legislation may be accepted.

Conditions of Closing

The closing of the Offering is subject to a minimum offering of Two Hundred and Fifty thousand dollars ($250,000). The Issuer will hold the proceeds received from the Offering until the minimum offering is attained. If the Offering is not completed because the minimum offering has not been attained, all subscription funds will be returned promptly without interest or deduction.

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

Item 6: Income Tax Consequences and RRSP Eligibility

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

6.2 Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

Item 7: Compensation Paid to Sellers and Finders

The Issuer may pay a sales fee to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in amount not to exceed 12% of the subscriptions monies obtained by such persons.

Item 8: Risk Factors

Investment in the Shares should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Shares at this time is highly speculative due to the stage of the Issuer's development and requirement to raise additional financing to carry out the long-term business plan of the Issuer. Investors must rely on management of the Issuer. Any investment in the Issuer at this stage involves a high degree of risk.

Among the risks of investing in the Issuer are the following:

a. Highly Speculative – The purchase of Shares is highly speculative. A potential Subscriber should only buy them if it can bear the risk of the entire loss of its investment and has no need for liquidity. An investment in Shares should not constitute a major portion of the Subscriber's portfolio.

b. Offering Subject to Minimum – The closing of the Offering is subject to a minimum offering of two hundred and fifty thousand dollars ($250,000). There is no assurance that the minimum offering will be attained.

c. Investment not Liquid – There is currently no market for the Issuer's securities. Any Shares purchased by Subscribers will be subject to restrictions on resale, or any resale would have to be conducted by the purchaser on its own.

d. Price Determination – The price of the Shares was arbitrarily selected by the Issuer and has no correlation to the current book value, or liquidation value of the Issuer. There Issuer is no certainty that this share price can ever be supported through traditional share pricing metrics and as such, the Subscriber might never realize their investment when they can divest their Shares.

e. Unknown Value of Securities – The value of the securities being sold pursuant to this Offering is subject to the ability of the Issuer to build equity in the enterprise. If insufficient proceeds are raised and alternative financing is not available, the completion of the Issuer's business plans may not be fulfilled. The Issuer is not profitable and there can be no assurance that a profitable business will be achieved by the Issuer.

f. Voting Trust Agreement – Subscribers will be required to execute and deliver the Voting Trust Agreement and, in accordance with the terms of the Voting Trust Agreement, deposit their Shares to the trust created thereby and transfer their legal title to their Shares to the trustee appointed thereunder so as to permit the trustee to vote such pursuant to the terms of the Voting Trust Agreement and thereby facilitate the administration of the Issuer's corporate affairs notwithstanding the larger shareholder base that will exist for the Issuer following the closing of the Offering. Subject to the Voting Trust, the Shareholder will not have any control over the affairs of the Issuer.

g. Requirement for Additional Capital – The business plan of the Issuer is based on the Issuer raising sufficient funding for the achievement of its short-term objectives. If insufficient financing is raised hereunder, the Issuer will require substantial additional financing from other sources. This may prove difficult or even impossible (See Item 2.6 – Insufficient Proceeds). The ability of the Issuer to arrange its financing in the future may well depend, in part, upon the prevailing market conditions as well as the business performance of the Issuer. In the event that additional financing is raised by the issuance of securities from the treasury of the Issuer, control of the Issuer may change.

h. Financing – The Issuer may make investments in hiring employees, and various marketing strategies over the short and longer terms. Any funding required for such investments, more than the proceeds of the Offering, may be obtained through additional financing, which may or may not be provided by a party related to the Issuer. The Issuer's ability to access additional capital will depend on its success in its business and the status of the capital markets at the time such capital is sought. There can be no assurance that capital will be available from any source or that, if available, it will be at prices or on terms acceptable to the Issuer.

i. Operating History – The Issuer was incorporated January 18, 2017. The operations are subject to all the risks inherent in the establishment of a start-up enterprise, including a lack of operating history or liquidity problems. The Issuer cannot be certain that its management team or marketing strategies will be successful. The likelihood of success of the Issuer must also be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in comedy and entertainment industries. If the Issuer fails to address any of these risks or difficulties adequately, the business of the Issuer will likely suffer. Future revenues and profits, if any, will depend upon various factors, including the success of the Issuer's ability to secure market acceptance, government regulations and enforcement and general economic conditions. There is no assurance that the Issuer can operate profitably or that the Issuer will successfully implement its plans.

j. Limited History of Revenue – There is no guarantee that the Issuer's business will generate revenue or that the Issuer will reach profitability.

k. Revenue Shortfalls – Revenue shortfalls from budgets may result from lower than expected growth rates and/or ticket sales. Growth rates may be less than forecasted due to inadequate marketing or lower than expected market response. Revenue may be less than budgeted due to aggressive competitor pricing below the Issuer's prices.

l. Competition – The Issuer contemplates that certain of its competitors may have greater financial and other resources and greater operating flexibility than the Issuer. Strong competition could have a material adverse effect on the ability of the Issuer to grow its business and achieve profitability and could adversely affect the returns of the Issuer and its ability to meet its debt obligations.

m. Market – As the market for the Issuer's services is evolving, it is difficult to predict the actual size of the market and its future rate of growth. There is no assurance that the Issuer will be able to compete with existing competitors or capture adequate market share. The Issuer will not become profitable if it cannot compete successfully with other businesses.

n. Dependence on Management – Decisions regarding the management of the Issuer's affairs will be made exclusively by the officers and directors of the Issuer and not by the holders of Shares. The Issuer's success may depend substantially on the services of a key employee, whose knowledge of the business would be difficult to replace. Consequently, the business may be harmed if the Issuer loses his services and is not able to attract and retain a qualified replacement. Decisions regarding the management of the Issuer's affairs will be made exclusively by its officers and directors. Investors should carefully evaluate the personal experience and business performance of the officers and directors of the Issuer. The Issuer may retain independent contractors to provide services to the Issuer. These contractors have no fiduciary duty to the holders of Shares or the Issuer.

o. Management of Growth – The Issuer is planning on rapid growth. Future operating results will depend on management's ability to manage this anticipated growth, hire and retain qualified employees, properly generate revenues and control expenses. A decline in the growth rate of revenues will have a material adverse effect on the business, results of operations, cash flows and financial condition.

p. Potential for Conflict of Interest – All decisions to be made by directors and officers involving the Issuer are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Issuer, which may or may not be in the best interest of any individual, or group of investors. Such directors and officers are required to declare their interest in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

q. Taxes – Canadian federal and provincial tax issues should be taken into consideration prior to investing in Shares. The return on a Subscriber's investment is subject to taxes and to changes in Canadian tax laws. There can be no assurance that tax laws, regulations or judicial or administrative interpretations of these laws and regulations will not change in a manner that fundamentally alters the tax consequences to investors holding or disposing of Shares.

r. Force Majeure – Outside events beyond the reasonable control of the Issuer may cause the failure of the Issuer or delay in its performance for a period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, government orders or any other force majeure events.

s. Currency Fluctuations – Certain of the Issuer's anticipated revenues and expenses may be denominated in United States dollars and potentially other foreign currencies. The Canadian dollar relative to the United States dollar or other foreign currencies is subject to fluctuations. Failure to adequately manage foreign exchange risk could therefor adversely affect the Issuer's business, financial condition, results of operations or prospects.

t. Conflict of Interest – The Issuer and its respective associates, affiliates, directors and officers may be, and are permitted to be, engaged in other businesses in which the Issuer will not have an interest and which may be competitive with the activities of the Issuer. Some or all of the directors and/or officers of the Issuer: (1) may acquire Shares in the Issuer; and (2) may be directors, officers and/or trustees of other entities that may acquire Shares under the Offering

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing Shares. Potential investors should read this entire Offering Memorandum and the attached Subscription Agreement and consult with their legal and other professional advisors before determining to invest in the Shares.

Item 9: Reporting Obligations

9. Reporting Obligations

The Issuer is a private company and is not subject to continuous reporting and disclosure obligations which the securities legislation in Canada would require of a "reporting issuer". Accordingly, there is no requirement that the Issuer make disclosure of its affairs, including, without limitation, the notification of material changes by way of press releases and formal filings.

9.1 No later than April 30 of each year, the Issuer will file with each applicable provincial regulator and provide to Subscribers annual audited financial statements ("Audited Statements") at as at the preceding December 31 (the Issuer's financial year-end) and will make such Audited Statements available to each Subscriber under this Offering Memorandum. This will continue until the earlier of the date that the Issuer becomes a reporting issuer and that time that the Issuer ceases to carry on business. The Audited Statements will be reviewable on line at www.SEDAR.com.

9.2 In addition to Audited Statements, the Issuer must be accompanied by a notice in the required form disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Issuer during the same time period.

9.3 In New Brunswick, Nova Scotia and Ontario, the Issuer must also make available to Subscribers a notice of certain key events, within 10 days of the occurrence of the event. These events are considered to be significant changes in the business of the issuer of which purchasers should be notified and include a discontinuation of the Issuer's business, a change of business or a change of control. In such circumstances, this will also be reviewable on line at www.SEDAR.com.

Item 10: Resale Restrictions

The Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under applicable securities laws*; the transfer must also be approved by the Issuer*.

The Issuer is not: (i) a reporting issuer in any Canadian province or territory, nor (ii) a SEDAR filer in any Canadian province or territory. As a result, the Shares will be subject to an indefinite hold period.

10.1 Restricted Period

For trades in Alberta, British Columbia, New Brunswick, Nova Scotia, Quebec and Saskatchewan, the following applies:

> Unless permitted under securities legislation, you cannot trade the securities before the date that is four (4) months and one (1) day after the date the Issuer becomes a reporting issuer in any province or territory of Canada.
>
> The Issuer may or may not become a reporting issuer upon completion of this Offering and if not, may never become a reporting issuer. The resale restriction on the securities may therefor never expire.

For trades in Manitoba:

> You must not trade the securities without prior written consent of the regulator in Manitoba unless:
>
> a. The Issuer has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
>
> b. You have owned the securities for at least twelve (12) months.

The foregoing is a summary of resale restrictions relevant to Subscribers. The foregoing is not intended to be exhaustive and all Subscribers under this Offering should consult with their own professional advisers to determine the resale restrictions, availability of further exemptions or the possibility of obtaining a discretionary order with respect to the Shares offered hereunder.

Item 11: Purchasers' Rights

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

The securities laws in your jurisdiction may provide you with the right, in certain circumstances, to seek damages or to cancel your agreement to buy Shares. Most often, these rights are available if the Issuer makes a misrepresentation in this Offering Memorandum or any amendment thereto, but in some jurisdictions, you may have these rights in other circumstances including if the Issuer fails to deliver the Offering Memorandum to you within the required time, or if the Issuer makes a misrepresentation in any advertisements or literature regarding the Shares.

Generally, a “misrepresentation” means an untrue statement about a material fact, or the failure to disclose a material fact, that is required to be stated, or that is necessary to make a statement not misleading considering the circumstances in which it was made. The meaning of misrepresentation may differ slightly depending on the law in your jurisdiction. In most jurisdictions, there are defenses available to the persons or companies that you may have a right to sue. In many jurisdictions, the person or Issuer that you sue will not be liable if you knew, or ought to have known, of the misrepresentation when you purchased the Shares.

The following summaries are subject to any express provisions of the legislation of each selling jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that a purchaser may have at law.

(1) Two Day Cancellation Right - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) Contractual Rights of Action in the Event of a Misrepresentation

The applicable securities legislation in certain jurisdictions of Canada provides purchasers, or requires purchasers be provided, with remedies for rescission (meaning a right to cancel the agreement to purchase Shares) or damages if this Offering Memorandum or any amendment to it contains a misrepresentation. However, these remedies must be exercised within the time limits prescribed. Subscribers should refer to the applicable legislative provisions of their province or territory for the complete text of these rights and/or consult with a legal advisor.

In **British Columbia, Alberta, Manitoba and Nova Scotia** if there is a misrepresentation in this Offering Memorandum, a Subscriber has a statutory right to sue:

a. the Issuer to cancel an agreement to buy the Shares; or

b. for damages against the Issuer, every person who was a director of the Issuer at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

In **Ontario and New Brunswick** if there is a misrepresentation in this Offering Memorandum, a purchaser has a statutory right to sue:

a. the Issuer to cancel an agreement to buy the Shares; or

b. for damages against the Issuer.

In **Saskatchewan** if there is a misrepresentation in this Offering Memorandum, a purchaser has a statutory right to sue:

a. the Issuer to cancel an agreement to buy the Shares; or

b. for damages against:

> i. the Issuer and every promoter or director of the Issuer at the time this Offering Memorandum or the amendment to this Offering Memorandum was sent or delivered;
>
> ii. every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them;
>
> iii. every person who or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed this Offering Memorandum or an amendment to this Offering
>
> Memorandum; and
>
> iv. every person who or company that sells securities on behalf of the Issuer under this Offering Memorandum or an amendment to this Offering Memorandum.

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

Rescission

In all you must commence your action to cancel the agreement within 180 days from the day of the transaction that gave rise to the cause of action.

If you elect to exercise your right of rescission, you will not have the right of action for damages.

Damages

In **Ontario, British Columbia and Alberta**, you must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years from the day of the transaction that gave rise to the cause of action.

In **Saskatchewan and New Brunswick**, you must commence your action for damages within the earlier of one year after learning of the misrepresentation and 6 years from the day of the transaction that gave rise to the cause of action.

In **Manitoba**, you must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 2 years from the day of the transaction that gave rise to the cause of action.

In **Nova Scotia** you must commence your action for damages no later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made.

In the case of an action for damages, the Issuer will not be liable for all or any part of the damages that it proves does not represent the depreciation in value of the securities resulting from the misrepresentation and in no case will the amount of damages exceed the price at which the Shares were issued to you under this Offering Memorandum.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED.

Item 12: Financial Statements

Audit Financial Statements Attached

The Issuer was incorporated on January 17, 2017, its financial year end is December 31 and it has not yet completed one financial year. Attached hereto are the Audited Statements of the Issuer consisting of: (a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the period from inception to August 31, 2017 (a date not more than 90 days before the date of the Offering Memorandum), (b) a statement of financial position as at the end of the period referred to in (a), and (c) notes to the Audited Statements.

The next Audited Statement will be due by 120 days from year-end (be April 30, 2018) and will be made available to Subscribers accompanied by a notice in the required form disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Issuer during the same time period .

Item 13: Date and Certificate

This offering memorandum does not contain a misrepresentation.

Dated October 31, 2017

(signed) "*Garry Yuill*"
Garry Yuill
Chief Financial Officer and Director

ON BEHALF OF THE BOARD OF DIRECTORS
(signed) "*Darryl Lenox* "
Darryl Lenox
Chief Executive Officer and Director

Ellison Rains Enterprises Inc.

Financial Statements

For the period from incorporation
on January 18, 2017 to August 31, 2017
(Expressed in Canadian dollars)

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1
dhgroup.ca
t 604.731.5881
f 604.731.9923

Independent Auditor's Report

To the Directors of Ellison Rains Enterprises Inc.

We have audited the accompanying financial statements of Ellison Rains Enterprises Inc., which comprise the statement of financial position as at August 31, 2017 and the statement of comprehensive loss, the statement of changes in equity and statement of cash flows for the period from incorporation on January 18, 2017 to August 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ellison Rains Enterprises Inc. as at August 31, 2017, and its financial performance and its cash flows for the period from incorporation on January 18, 2017 to August 31, 2017 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Chartered Professional Accountants

Vancouver, B.C.
October 30, 2017

Ellison Rains Enterprises Inc.

Statement of Financial Position
August 31, 2017
(Expressed in Canadian Dollars)

	$
Assets	
Current assets	
Cash	58,004
Prepaid expenses	4,500
	62,504
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	7,962
Demand debt (Note 3)	104,703
	112,665
Shareholders' equity	
Share capital (Note 4)	125
Deficit	(50,286)
	(50,161)
	62,504

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

These financial statements were approved for issue by the Board of Directors on October 30, 2017 and are signed on its behalf by:

"Garry Yuill", Director *"Darryl Lenox"*, Director

Ellison Rains Enterprises Inc.

Statement of Comprehensive Loss

For the period from incorporation on January 18, 2017 to August 31, 2017

(Expressed in Canadian Dollars)

	$
Expenses	
Bank fees	260
Consulting fees (Note 5)	5,875
Gain on foreign exchange	(1,462)
Legal fees	11,870
Professional services	20,443
Rent	13,300
	50,286
Net and comprehensive loss for the period	(50,286)

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

Ellison Rains Enterprises Inc.

Statement of Changes in Equity

For the period from incorporation on January 18, 2017 to August 31, 2017

(Expressed in Canadian Dollars)

	Share capital			
	Number of shares	Amount $	Deficit $	Shareholders' equity $
Balance at January 18, 2017	-	-	-	-
Issuance of common shares	100	125	-	125
Net loss for the year	-	-	(50,286)	(50,286)
Balance at August 31, 2017	100	125	(50,286)	(50,161)

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

Ellison Rains Enterprises Inc.

Statement of Cash Flows

For the period from incorporation on January 18, 2017 to August 31, 2017

(Expressed in Canadian Dollars)

	$
Cash flows from (used in) operating activities	
Net loss for the year	(50,286)
Changes in non-cash working capital	
Prepaid expenses	(4,500)
Accounts payable and accrued liabilities	7,962
	(46,824)
Cash flows from financing activities	
Issuance of common shares	125
Proceeds from demand debt	104,703
	104,828
Increase in cash during the period	58,004
Cash, beginning of period	-
Cash, end of period	58,004

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

1. Nature of operations

Ellison Rains Enterprises Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on January 18, 2017. The Company's registered place of business is located at 2837 Cambie Street, Vancouver, British Columbia, V5Z 3Y8, Canada. The Company plans to be in the business of developing or acquiring comedy clubs, organizing and promoting comedy events and producing and distributing comedy content.

2. Summary of significant accounting policies

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

Basis of measurement
The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Income taxes
Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

Financial instruments

Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables and at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss). Cash is classified as fair value through profit or loss ("FVTPL").

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transaction costs associated with financial assets at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. Summary of significant accounting policies - continued

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and demand debt are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss).

Share capital
Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

New standards and interpretations not yet adopted
The following is an overview of accounting standard changes that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its financial statements.

(a) IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories.

(b) IFRS 15 - *Revenue from Contracts with Customers*. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - *Revenue*, IAS 11 - *Construction Contracts*, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

(c) IFRS 16 - *Leases.* This standard specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

3. Demand debt

The demand debt does not bear interest and is repayable on demand.

4. Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

5. Related party disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

Transactions with key management personnel
During 2017 the following compensation was incurred:

	2017 $
Consulting fees	5,875

6. Financial instruments

Categories of financial assets and financial liabilities
Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	2017 $
Cash	FVTPL	58,004
Accounts payable and accrued liabilities	Other financial liabilities	(7,962)
Demand debt	Other financial liabilities	(104,703)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities and time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuation in this level are those with inputs for the asset or liability that are not based on observable market data.

6. Financial instruments - continued

The recorded amounts for accounts payable and accrued liabilities and demand debt approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

Capital management
The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, demand debt and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.