

PAYWARD CANADA INC.  
CRYPTO ASSET STATEMENT  
LION

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**Disclaimer**

*Payward Canada Inc. (Kraken) is registered under Canadian securities laws as a restricted dealer and is offering Crypto Contracts on crypto assets in reliance on a prospectus exemption contained in the exemptive relief decision [Re Payward Canada Inc.](#) dated 04/01/2025 (the Decision). The statutory rights in section 130.1 of the Securities Act (Ontario), and, if applicable, similar statutory rights under the securities legislation of each other province and territory in Canada, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the prospectus relief in the Decision.*

*No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that LION is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.*

*Please note that this Crypto Asset Statement may not be exhaustive of all risks associated with trading LION. Please review the [Risk Statement](#) and [Fee Schedule](#) for additional discussion of general risks and transaction fees associated with the Crypto Contracts and Crypto Assets made available through the Canadian Platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this Crypto Asset Statement is based on publicly available information provided by third parties.*

### **What is LION and how does it work?**

Loaded Lions is an NFT project associated with Crypto.com that began as a 10,000-item profile picture collection and has since expanded into a wider ecosystem. The project includes related sets such as Cyber Cubs and Dark Lions, and a web-based simulation game called Loaded Lions: Mane City. The ecosystem also features land collections (The First Frontier, Fractured Fate) and integrations that extend the project beyond its original PFP collection.

The native utility token of the project, LION, launched on Cronos and has since been deployed on Solana and Arbitrum. Live utilities include staking through official Vaults, payments integration with Solana Pay, and exclusive access to NFT drops and merchandise discounts. Planned utilities include governance participation via a DAO, use as in-game currency in Mane City, additional Tier 1 exchange listings, a Loaded Lions Debit Card, AI-powered agents for Lions and Dark Lions, expanded in-game content such as quests and expeditions, and major brand collaborations for physical merchandise and Crypto.com Pay, trading access on major exchanges.

### **Who is behind the project?**

Loaded Lions is a Cronos ecosystem NFT project developed with Crypto.com and Cronos Labs as advisors.

### **Tokenomics of LION**

The total supply of LION is 100 billion tokens, which is distributed as follows:

<b>Category</b>	<b>Percentage</b>
Community & Strategic Partnerships	50%
Operations & Marketing	10%
Ecosystem Reserve	15%
Liquidity	25%
<b>Total</b>	<b>100%</b>

### **General Risks**

Like all other digital assets, there are some general risks to investing in LION. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see [Kraken's Risk Statement](#).

### **Risks specific to LION**

### *Competition*

The Loaded Lions ecosystem faces competition from other NFT and gaming/metaverse ecosystem tokens such as ApeCoin (APE), Axie Infinity (AXS), The Sandbox (SAND), and Decentraland (MANA), among others. LION's value derives from its broader adoption in the market. If the Loaded Lions ecosystem fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of LION.

### **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on LION and determined that LION is unlikely to be a security or derivative under Canadian securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of LION, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created LION;
- The supply, demand, maturity, utility and liquidity of LION;
- Material technical risks associated with LION, including any code defects, security breaches and other threats concerning LION and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with LION, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of LION, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to LION about whether LION, or generally about whether the type of crypto asset, is a security and/or derivative.