

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This prospectus is a preliminary short form base shelf prospectus. This preliminary short form base shelf prospectus has been filed under legislation in the provinces of British Columbia, Alberta and Ontario that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States or to a U.S. Person (as such terms are defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "**Plan of Distribution**".*

**Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from Bee Vectoring Technologies International Inc. at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 telephone, (604) 687-2038, and are also available electronically at [www.SEDAR.com](http://www.SEDAR.com).

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

February 20, 2020



**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

**\$30,000,000**

**COMMON SHARES**

**PREFERRED SHARES**

**DEBT SECURITIES**

**SUBSCRIPTION RECEIPTS**

**WARRANTS**

**UNITS**

Bee Vectoring Technologies International Inc. (the "**Company**" or "**BVT**") may from time to time offer and issue the following securities: (i) common shares ("**Common Shares**"); (ii) preferred shares of any series ("**Preferred Shares**"); (iii) senior or subordinated secured or unsecured debt securities (collectively, "**Debt Securities**"), including debt securities convertible or exchangeable into other securities of the Company; (iv) subscription receipts ("**Subscription Receipts**"); (v) warrants ("**Warrants**"); and (vi) units (the "**Units**") comprised of one or more of the other securities described in this Prospectus, or any combination of such securities (the Units, Common Shares, Preferred Shares, Debt Securities, Subscription Receipts and Warrants, collectively, the "**Securities**"), having an aggregate offering price of up to **\$30,000,000** (or its equivalent in United States dollars or any other currencies) in one or more transactions, during the 25 month period that this short form base shelf prospectus (the

"Prospectus"), including any amendments hereto, remains effective. Securities may be offered separately or together or in any combination, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (a "Prospectus Supplement").

**No underwriter or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the persons(s) offering the Common Shares, the number of Common Shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of the Preferred Shares, the designation of the particular series, aggregate principal amount, the number of Preferred Shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of the Debt Securities, the specific designation of the Debt Securities, whether such Debt Securities are senior or subordinated, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Common Shares, Debt Securities or other Securities, as the case may be, the currency or currency unit in which the Subscription Receipts are issued and any other specific terms; (v) in the case of Warrants, the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units, the currency or currency unit in which the Units are issued and any other specific terms. A Prospectus Supplement may include other specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Company may sell the Securities to or through underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly subject to obtaining any required exemptive relief or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged by the Company in connection with the offering and sale of Securities and will set forth

the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to us, and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us. See "**Plan of Distribution**".

Subject to applicable laws, in connection with any offering of Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which may prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "**Plan of Distribution**".

The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "**BEE.V**". **Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Common Shares will not be listed on any securities exchange. There is currently no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell any Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of these securities in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. See "Risk Factors" below and the "Risk Factors" section of the applicable Prospectus Supplement.**

The Company's head and registered offices are located at 4160 Sladeview Crescent, #7 Mississauga, ON L5L 0A1.

**The Securities are subject to certain risks. The risk factors included or incorporated by reference in this Prospectus should be carefully reviewed and considered by holders in connection with an acquisition of Securities. See "Notice to Investors –Forward-Looking Information" and "Risk Factors" in this Prospectus and in the Prospectus (as defined herein).**

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## NOTICE TO READERS

### About this Short Form Base Shelf Prospectus

Readers should rely only on the information contained in this Prospectus (including the documents incorporated by reference or in any applicable Prospectus Supplement) and should not rely on some parts of the Prospectus to the exclusion of others. The Company has not authorized any person to provide holders of the Securities with additional or different information. Readers should take caution if anyone provides holders of the Securities with additional, different or inconsistent information, including information or statements in media articles about the Company. We are not making an offer to sell or seeking an offer to buy the Securities offered pursuant to this Prospectus in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus, or any Prospectus Supplement and the documents incorporated by reference herein and therein is accurate only as of the date of such document, regardless of the time of delivery of this Prospectus or any Prospectus Supplement. The business, financial condition, results of operations and prospects of the Company may have changed since those dates. Readers are urged to consult their own professional advisors in connection therewith. In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "BVT" or the "Company", refer to Bee Vectoring Technologies International Inc.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements. We do not undertake to update the information contained or incorporated by reference herein, including any Prospectus Supplement, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

### Forward-Looking Information

This Prospectus and the documents incorporated by reference herein contain certain statements which contain "**forward-looking information**" within the meaning of Canadian securities legislation (each a "**forward-looking statement**"). No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this Prospectus or any Prospectus Supplement should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the available funds of the Company and the anticipated use of such funds;
- the availability of financing opportunities;
- the completion of future offerings of Securities and receipt of all regulatory approvals in connection therewith;
- the completion of future financing arrangements;
- the performance of the Company's business and operations;

- applicable laws, regulations and any amendments thereto;
- the competitive and business objectives of the Company;
- statements related to the effect and consequences of certain regulatory initiatives; and
- the Company's financing activities in the U.S. and consequences related to those financings under U.S. federal law.

The forward-looking statements in this Prospectus are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only to such assumptions as of the date of this Prospectus. In addition, this Prospectus may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by the Company. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Readers should not place undue reliance on forward-looking information contained in this Prospectus or in any Prospectus Supplement. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this Prospectus or in any Prospectus Supplement including, but not limited to, whether:

- need for additional capital to expand operations;
- dependence on key personnel;
- the Company's reliance upon a limited number of revenue sources;
- ability to manage planned growth and integrate news business opportunities into existing operations.

Such factors are discussed in more detail under the heading "**Risk Factors**" in this Prospectus and in the Prospectus (as defined herein). New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this Prospectus. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Holders of the Securities should read this entire Prospectus, and each applicable Prospectus Supplement, and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects associated with holding Securities.

## CURRENCY PRESENTATION AND FINANCIAL INFORMATION

Unless otherwise indicated, all references to monetary amounts in this Prospectus are denominated in Canadian dollars. The financial statements of the Company incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by the Company with Securities Commissions or similar authorities in Canada are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and are specifically incorporated by reference into this Prospectus:

- a) the annual information form of the Company for the financial year ended September 30, 2019 dated January 29, 2020 (the "**AIF**");
- b) the audited financial statements of the Company as at and for the financial year ended September 30, 2019 and 2018, together with the notes thereto and the report of independent auditors thereon (the "**Annual Financial Statements**");
- c) management's discussion and analysis of the Company relating to the Annual Financial Statements (the "**Annual MD&A**");
- d) the unaudited condensed interim financial statements of the Company for the three and nine-months period ended June 30, 2019 together with the notes thereto (the "**Interim Financial Statements**");
- e) management's discussion and analysis of the Company relating to the Interim Financial Statements (the "**Interim MD&A**");
- f) the management information circular and proxy materials pertaining to the Company, dated April 5, 2019 distributed in connection with an annual general and special meeting of shareholders of the Company held on May 10, 2019;
- g) the material change report of the Company dated March 27, 2017 in respect of the completion of the first tranche of its non-brokered private placement consisting of the sale and issuance of 4,602,000 Units at a price of \$0.25 per Unit for gross proceeds of C\$1,150,500;
- h) the material change report of the Company dated April 28, 2017, in respect of the completion of the the closing of the second tranche of its non-brokered private placement for aggregate gross proceeds of \$1,428,500 through the issuance of 1,112,000 Units at a price of \$0.25 per Unit;
- i) the material change report of the Company dated August 23, 2017, in respect of the Company entering into a sales and distribution agreement with Guardian Soil Solutions LLC for the launch of the BVT System;
- j) the material change report of the Company dated August 31, 2017, in respect of the resignation of Mike Walkinshaw as a director of the Company;
- k) the material change report of the Company dated September 20, 2017, in respect of the completion of a non-brokered private placement of 3,922,000 Units at a price of \$0.20 per Unit for gross proceeds of C\$784,400;
- l) the material change report of the Company dated February 19, 2018, in respect of the closing of its non-brokered private placement for gross proceeds of C\$1,575,000 through the issuance of 6,300,000 Units at a price of \$0.25 per Unit;
- m) the material change report of the Company dated March 29, 2018, in respect of the closing of its non-brokered private placement of 12,000,000 Units at a price of \$0.25 per Unit for gross proceeds of C\$3,000,000 as well as the grant of a total of 600,000 incentive stock options ("**Options**") to directors of the Company;

- n) the material change report of the Company dated April 27, 2018, in respect of the appointment of Mr. Brandon Boddy as a director of the Company and the grant of 200,000 Options to Mr. Boddy;
- o) the material change report of the Company dated May 4, 2018, in respect of the closing of its non-brokered private placement of 500,000 Units at a price of \$0.25 per Unit for gross proceeds of C\$125,000;
- p) the material change report of the Company dated October 30, 2018, in respect of the Company entering into a global technology sharing agreement with Biobest Group NV which provides reciprocal access to certain patents of each of company;
- q) the material change report of the Company dated March 28, 2019, in respect of the Company's implementation of a restricted share unit plan and a 20% fixed stock option plan and the grant of 1,610,000 Options to certain directors, officers, employees and consultants of the Company;
- r) the material change report of the Company dated August 28, 2019, in respect of the approval of the U.S. Environmental Protection Agency ("EPA") of Clonostachys rosea CR-7 ("**BVT-CR7**") for use as a fungicide on commercial crops;
- s) the material change report of the Company dated October 28, 2019, in respect of the closing of a non-brokered private placement of 4,242,104 special warrants ("**Special Warrants**") at a price of \$0.25 per Special Warrant for gross aggregate proceeds of C\$1,060,526;
- t) the material change report of the Company dated October 30, 2019, in respect of the announcement of Sizemore Farms as the first commercial grower deal for Vectorite™ with CR-7;
- u) the material change report of the Company dated October 30, 2019, in respect of the establishment of the EPA of an exemption from the requirement of a tolerance under the Federal Food, Drug and Cosmetic Act (FFDCA) for the BVT-CR7;
- v) the material change report of the Company dated November 6, 2019, in respect of the signed deals of the Company with two leading commercial blueberry growers in Georgia to use the BVT System and Vectorite™ with CR-7; and
- w) the material change report of the Company dated November 29, 2019, in respect of the closing of a non-brokered private placement of 3,047,647 Special Warrants at a price of \$0.35 per Special Warrant for gross aggregate proceeds of C\$1,066,677.

Certain terms capitalized but not defined herein have the meanings ascribed to them in the AIF as the context may require.

Any documents of the type required by National Instrument 44-101 – Short Form Prospectus Distributions ("**NI 44-101**") to be incorporated by reference in a short form prospectus, including those types of documents referred to above and press releases issued by the Company specifically referencing incorporation by reference into this Prospectus, if filed by the Company with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and before the expiry of this Prospectus, are deemed to be incorporated by reference in this Prospectus.

A Prospectus Supplement containing the specific terms of any offering of our Securities will be delivered to purchasers of our Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of our Securities to which that Prospectus Supplement pertains.



Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any Prospectus Supplement hereto or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.**

When we file a new annual information form and audited consolidated financial statements and related management discussion and analysis with and, where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is effective, the previous annual information form, the previous audited consolidated financial statements and related management discussion and analysis and all unaudited interim consolidated financial statements and related management discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed to no longer be incorporated by reference in this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and the accompanying management's discussion and analysis being filed by us with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the filing of the new interim financial statements will be deemed to no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

## THE COMPANY

### Name, Address and Incorporation

The Company was incorporated under the name Unique Resources Corp. on May 20, 2011 pursuant to the provisions of the *Business Corporations Act* (British Columbia) and completed its initial public offering of Common Shares on March 30, 2012. The Company's Common Shares were approved for trading on the TSXV on April 3, 2012 under the symbol "UQ.V".

On June 1, 2015, the Company executed a share exchange agreement (the "**Exchange Agreement**") with Bee Vectoring Technology Inc. ("**BEE**") whereby the Company acquired all of the issued and outstanding securities of BEE by way of a reverse take-over ("**RTO**") transaction. Prior to closing of the RTO, the Company consolidated its Common Shares on the basis of one (1) post-consolidation Common Share for each 2.4 pre-consolidation Common Shares.

Pursuant to the Exchange Agreement, the Company issued 22,018,170 million post-consolidation Common Shares to the shareholders of BEE at a deemed issuance price of \$0.25 per Common Share, in exchange for all of the issued and outstanding Common Shares of BEE.

On June 30, 2015, the Company closed the RTO of BEE and changed its name to Bee Vectoring Technologies International Inc. The Company commenced trading on the TSXV on July 7, 2015 under its new symbol "BEE.V".

On August 25, 2016, the Company completed its continuation into Ontario under the *Business Corporations Act* (Ontario) from the province of British Columbia.

The Company's head office and registered office is located at 4160 Sladeview Crescent, #7 Mississauga, ON L5L 0A1. The Company's corporate website is <http://www.beevt.com/>. The information contained on the Company's website is not incorporated by reference into this Prospectus.

The Company is a reporting issuer in each of British Columbia and Alberta and its Common Shares are listed for trading on the TSXV.

### **Intercorporate Relationships**

The following table sets out the current subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation</u>	<u>Ownership</u>
Bee Vectoring Technology Inc.	Ontario	100%
Bee Vectoring Technology USA Corp.	Delaware	100%

## **SUMMARY DESCRIPTION OF THE COMPANY'S BUSINESS**

### **General**

BVT is a development stage company which owns the patented and patent pending technology specifically designed to utilize bees as natural delivery mechanisms for a variety of powdered mixtures comprised of organic compounds or currently used products which inhibit or eliminate common crop diseases, while at the same time promoting the growth of the same crops. This application process is without the use of water which is beneficial to areas under strict water management practices. In addition, independent companies can deliver their biocontrol's through the BVT platform allowing a broad spectrum of applications.

The bees walk through the powder mixtures as they exit their hive and the mixture becomes temporarily attached to their legs en-route to the flowers of the crops of interest. The BVT System consists of a dispenser that is incorporated into the lid of commercially reared bumblebee hives or that attaches to the outside of a commercial honeybee hive. The dispensers have a removable tray or refillable cartridge that can contain non-toxic, organic, pesticides and fertilizers in powdered form, including BVT's proprietary carrier Vectorite™. Vectorite™ allows the bees to effectively pick up the inoculums on their way out of the hive. Multiple inoculums for a variety of different pathogens and pests can be mixed in the Vectorite™ in a process called "stacking". BVT has its own bio control organic inoculant fungi, BVT-CR7, used to inhibit and

control certain pathogens in high value crops such as strawberries, Blueberries, Tomatoes, Canola, Sunflowers.

The trays or cartridges are changed or refilled approximately every three to nine days in order to replenish the depleted inoculum, ensure the freshness of the inoculant fungi, prevent infections to the bees which may result from bee waste, and avoid packing or clumping of the inoculum in the trays. No special skills are required to replace the trays or refill the cartridges and the process takes a minimal amount of time to complete. Exact and predetermined amounts of inoculum are placed in the tray or in pouches to fill cartridges. BVT has custom designed machinery to precisely fill these sealed trays called Vectorpak™ trays, or in pouches called Vectorpak pouches.

### *Summary*

BVT was established with a view to providing effective protection of crops against disease organisms and insect pests, which is critical for achieving high yield and quality in many pollinated crops. Inadequate protection of crops can lead to major losses in yield and quality of fruit and seed. BVT possesses a patented and patent pending organic crop control and delivery system that has numerous competitive advantages over commercial pesticides and their applications.

The current technology used for protecting the flowers of crops relies heavily on the use of chemical pesticides (fungicides and insecticides) applied as sprays while the crops are in bloom. Problems with current spray technology include:

- Limited effectiveness because many flowers may open and die during spray intervals and therefore remain untreated. Sprays generally protect flowers for only 3-4 days. As many as half of the flowers during the entire bloom period of a crop may remain untreated by spray programs.
- Most of the pesticide is deposited on non-targets, such as soil and leaves.
- Pesticide sprays often kill or inactivate many beneficial organisms present in crops.
- Pesticide use risks contamination of the environment, such as soil and water resources.
- Pesticides can contaminate foods and feeds, such as fruits and seeds.
- With many crops, such as greenhouse tomatoes, workers cannot re-enter the crop for hours or days after pesticides are applied, which is disruptive to crop production practices and labour use.
- Many pesticides lose their effectiveness with repeated use as disease organisms, as pests and plants become resistant and insensitive to the repeated use of certain chemicals.
- Many chemicals require substantial amounts of water to be used as part of the delivery system and result in issues of run-off to the water table.
- Current chemicals are suspected of killing insects and bees and other organisms long after application with possible long-term detrimental effects on the environment.

BVT's patented and patent pending technology uses bumblebees and honey bees as a system to deliver naturally occurring beneficial fungus and other beneficial microbes to flowering plants. BVT offers an organic means to control diseases and pests and provide plant enhancing properties while requiring zero water for delivery. The delivery method allows for delivery of BVT inoculums either individually or together with other bio controls. Multiple bio controls could be mixed together for delivery by bees to solve a range of problems. The platform can deliver many inoculums or pathogen controlling products effectively. The flower is an effective portal to deliver

these controls to crops and bees are the ideal natural way to get to the majority of the blooms. Bees will touch almost all flowers that are in bloom thereby delivering inoculum consistently throughout a bloom period.

Prior to 1990 virtually no bees were used for pollination in greenhouses, however today greenhouses worldwide use bees to pollinate vegetable crops and fruits. Bees are also used in many outdoor crops and orchards for pollination, such as apples, blueberries and almonds. The process of using bees as a delivery system is called “bee vectoring”. BVT will employ these same bees to deliver inoculants on outbound trips to assist in crop pest control and to deliver a fertilizer or plant enhancer products in greenhouse crops and outdoor crops.

BVT targets diseases and pests that can negatively affect a crop through and around the flower. Initial diseases targeted with its own bio control BVT-CR7, are Botrytis and Sclerotinia. Additional diseases and pests will be targeted as well, including through the use of third party bio control products.

### *Botrytis*

Strawberries, blueberries or raspberries often grow grey fuzz, which appears over time as the berries are stored or refrigerated resulting in waste. This is Botrytis and it becomes more active as the produce ripens in shipment or storage. The fungal pathogen, Botrytis cinerea, causes blossom blight and berry rot. It overwinters as mycelium in dead leaves and mummified berries of affected crops and as minute black bodies (sclerotia) such as on raspberry canes. Under humid conditions throughout the growing season, spores (conidia) are produced on minute tree-like structures (conidiophores) that grow on the dead foliage, old berries and on sclerotia. In mass they appear greyish hence the name “grey mold”. The spores are dispersed in their millions by wind, rain, and overhead irrigation, many to new leaves, flowers and berries. Under favorable conditions of moisture and temperature the spores can germinate and infect these aerial parts of the crop.

The fungus can infect leaves of almost any age, but it remains quiescent and latent inside the leaves until they senesce and turn yellow. Young canes (primocanes) of raspberries can be infected via the leaf petioles and may wilt, die and be covered with grey mold. Flowers of all berry crops are highly susceptible to Botrytis infection. Germinating spores of the fungus can readily infect and colonize all flower parts throughout the bloom period, often turning the blossoms brown. It is from this important entry point that the fungus is able to grow and establish latent infections within the young fruit. Fruit infections generally remain quiescent and without symptoms until the berries are nearly ripe or have been harvested. In strawberries and raspberries, spores produced on unpicked, leaky, or overripe fruit may lead to further flower and fruit infections in the crop.

### *Sclerotinia*

The soil borne pathogen Sclerotinia causes white mold diseases can seriously damage and in some cases quickly and completely destroy a crop. Numerous kinds of crops can be attacked, including canola, sunflowers, blueberries and strawberries.

Sclerotinia white mold is a significant risk in all fields of canola and sunflowers in Canada and in many other regions of the world. No viable solution exists for sunflowers as spraying is impractical due to height of the flowers and the frequency of applications needed for adequate

control. In many areas, fungicides are no longer effective against Sclerotinia on account of pathogen resistance.

These two diseases, Botrytis and Sclerotinia, are very closely related and part of the reason BVT's patent pending biological control agent (bio-control) works on both pathogens. BVT's bio-control controls diseases by spatial occupation of plant tissues and preempting tissue invasion by pathogens. As soon as bees deliver BVT's patent pending bio to flowers, the fungus germinates and colonizes the flower tissues without causing any harm or symptoms. It colonizes earlier and faster than disease organisms and thereby occupies space the disease organisms would normally use while attacking the plant.

### *Principal Products*

BVT has patents granted and/or pending for the following technologies:

1. bio-control called "BVT-CR7": a particular strain of fungus acting as a beneficial endophyte controlling targeted crop diseases and increasing crop yield;
2. Vectorite™: a recipe of ingredients that allows bees to carry BVT-CR7 and other beneficial fungi or bacteria in their outbound flights to the crops; and
3. An integrated dispenser and removable and sealable tray system for bumble bee hives in which the Vectorite™ containing BVT-CR7 or other third party microbial products is placed through which the bees pass and pick up the Vectorite™.
4. A computer-controlled dispenser system for use with honeybee hives which can dispense in a controlled manner a determinate amount of the Vectorite™ containing BVT-CR7 or other third party microbial products for delivery to crops using honeybees.

BVT-CR7, is an organic strain of a natural occurring endophytic fungus. It has not been genetically modified or altered in any way. Bees and plants are well accustomed to this kind of fungus and it is harmless to humans. After delivery by the bees to the crops it dies out naturally within 24-48 hours if it is unable to find suitable host plants. BVT-CR7 is a selected strain of a fungus that is commonly found in a large diversity of plants and soils all around the world. It grows harmlessly in the inside of plant tissue. BVT-CR7 is able to control numerous diseases but is especially effective for controlling those caused by the fungal pathogens, such as Botrytis and Sclerotinia discussed above. BVT-CR7 is endophytic in flowers, fruits, leaves, stems, and roots of plant hosts. It does not cause disease or substances toxic to plant tissue. Other microbial agents are not endophytic or have very limited endophytic ability.

As an endophyte, BVT-CR7 also enhances plant growth by organically increasing nutritional uptake, improving root size and structure, improving vegetative growth and size of plants, increasing the number of flowers and flower size, increasing resistance to diseases and environmental stresses, and preventing Botrytis and Sclerotinia development. BVT-CR7 has no re-entry issues (i.e. the time workers have to be excluded from the greenhouse to allow conventional pesticides to dissipate), it can be used up to the day of harvest, it's organic, and its beneficial effects last longer than traditional chemical fungicides.

Berries developing from BVT-CR7 treated flowers have natural built-in protection against diseases and consequently last longer and have a longer shelf life. This gives growers additional valuable time to get the fruit to market and consumers more time to enjoy the fruit. Blueberries, for example, sometimes require 14 days just to get to market.

Vectorite™ is a formulation of different ingredients including the BVT-CR7 bio-control, as well as other future biocontrols, specially formulated to allow the powder to attach to the legs and bodies of the bees and thus be carried by the bees towards the flowering crops as they leave the hives. One of the significant benefits to this system is the fact that several bio controls can be used together to cover more diseases and pests than just those targeted by BVT-CR7, thereby reducing costs and making this system more effective. For example, Thrips are present in almost all greenhouses in the world and a significant issue to the grower. Several bio-controls are already registered and produced by third parties for use in spraying applications to control Thrips. BVT will evaluate these bio-controls for suitability in its system and compatibility with BVT-CR7. One such bio-control is Beauveria, a fungus already registered and produced by third parties. Beauveria is used to control Thrips which either spread a virus that kills crops or lays their eggs in fruit like strawberries rendering them useless. Most if not all greenhouses, including flowering or ornamental greenhouses, in the world, suffer from Thrips.

BVT has developed an inoculum dispenser system that is incorporated into the lid of the commercial bumble bee hive. In the dispenser is a removable tray that contains, in powder form, the inoculant fungi and a mixture of products (being, Vectorite™) that allows the bees to effectively pick up the product on their way out of the hive. Vectorite™ allows the inoculant to get attached to the bee's hairy legs and bodies as they walk through the tray on their way out of the hive.

Bumblebees are used because of their efficiency and effectiveness in distributing BVT-CR7. Bumble bee hives are produced commercially and are approximately 14 x14 x10 inches in dimension. Each hive holds up to 300 bumble bees and the bees live for live for approximately 5-6 weeks then die out naturally. At the end of this cycle, the hives are destroyed. Bumble bees are natural pollinators making thousands of trips a day each and visiting approximately 10 flowers per minute.

The Company has developed a similar system to work with honeybee hives. This system opens up additional opportunities in crops such as almonds and sunflowers where honeybees are used to pollinate crops more commonly.

#### *Bankruptcy and Similar Procedures*

The Company has not been the subject of bankruptcy, receivership or similar proceedings (voluntary or otherwise) in the three most recently completed financial years or completed during or proposed for the current financial year.

#### *Reorganizations*

The Company has not been the subject of any material reorganization within the three most recently completed financial years, or completed during or proposed for the current financial year.

#### *Social or Environmental Policies*

We have not implemented any social or environmental policies that are fundamental to the Company's operations, such as policies regarding our relationship with the environment or with the communities in which we may do business, or human rights policies.

## Business Development

On October 25, 2016, the Company received notice of allowance of the following key patent applications for the Tray System from the U.S. and Mexican patent and trademark offices:

- US Patent Application No. 14/763,857; Entitled: Apparatus for Treatment of Plants; and
- Mexico Patent Application No. MX/a/2013/011695; Entitled: Apparatus for Treatment of Plants.

On November 22, 2016, the Company announced successful results from sunflower field trials conducted in three countries: USA, Serbia and Canada. The field trials were designed to evaluate the ability of the BVT System to manage Sclerotinia head rot. To assess the efficacy of the BVT System, several plots were inoculated with the disease and plots where the BVT System was deployed were compared against plots that were left untreated. Additional measurements on the yield of the crop and quality attributes were also made where possible in the trials. In replicated trials conducted at North Dakota State University using bumblebees, the BVT System delivered a 36% reduction in incidence and a 22% reduction in the severity of the disease on average across three different observations. These reductions in disease incidence and severity were statistically significant. The BVT System produced a yield increase in the crop of 8%. In replicated trials conducted in Serbia in collaboration with the Arthur Dobbs Institute and the Serbian Institute of Field and Vegetable Crops and its commercial arm “NS seme”, the BVT System delivered a 43% increase in disease-free flowers, a 25% yield increase and a 5% higher bulk density which is an important quality attribute of the sunflower seed. In addition, a trial conducted on a sunflower crop in Ontario, Canada resulted in a 46% increase in yield.

On December 7, 2016, the Company retained Virtus Advisory Group Inc. (“**Virtus**”), to develop and implement a strategic corporate communications program to increase the Company’s exposure among industry stakeholders and investors across Canada. In connection with the engagement, Virtus was awarded a consulting contract that includes a monthly fee of \$6,500 and a grant of Options, which will vest in equal quarterly instalments over 12 months, to acquire 100,000 Common Shares, exercisable at a price of \$0.24 per Common Share for a period of five years from date of grant.

On January 10, 2017, the Company entered into formal agreements with several leading U.S. strawberry growers to conduct large-scale commercial demonstrations of the BVT System. The demonstrations began in January 2017 in Florida. The commercial-scale demos were secured based on the strength of the previous trial results and represented an opportunity for the farmers to see how the BVT System can be incorporated into their crop production practices on a commercial scale.

On January 24, 2017, the Company completed the preliminary technical screen process with the EPA for registration of the BVT-CR7. The purpose of the technical screen is to determine if the pesticide registration application and accompanying information and data is accurate and complete, consistent with the proposed labeling and eventual use of the product, and that subject to full review by the EPA experts could result in the granting of the application. The technical screen process was completed in the normal expected time.

On March 2, 2017, the Company filed a patent application with the U.S. patent office for a system that allows the delivery of plant protection products to crops using commercial honey bees. The newly developed BVT System is compatible with most commercial honeybee hives and is designed to deliver a wide variety of plant protection products, such as the BVT-CR7, that

inhibit or eliminate common diseases and pests in crops that are pollinated by honeybees. These include almonds, apples, melons, and sunflowers. In initial trials in sunflowers in Ontario in 2016, the honeybee BVT System uniformly delivered the BVT-CR7 biological control agent to the crop and produced a 31% increase in yield for the grower. Additional work in 2016 treating sunflowers in the U.S. with BVT-CR7 using bumblebees showed effective suppression of Sclerotinia. More trials of the honeybee BVT System were scheduled for 2017 on sunflowers and other crops.

On April 13, 2017, the Company announced that the European Patent Office (“EPO”) has granted Patent Application No. 2693871 for the Tray System entitled: Apparatus for Treatment of Plants. With the grant by the EPO, the Company can validate the patent in the 38 countries that are Member States of the European Patent Organisation. The Company will validate the patent in countries based on the size of the market opportunity that exists in each country.

On April 21, 2017, the Company granted a total of 360,000 Options to a consultant of the Company. Each Option is exercisable to purchase one Common Share for five years at a price of C\$0.25 per Common Share in accordance with the terms of the Company’s Option Plan.

On May 17, 2017, the Company announced successful, verified results from large commercial scale demonstrations of the BVT System, with strawberry growers in Florida. The demonstrations were conducted in the Plant City area of Hillsborough County, Florida, the main winter strawberry growing region in the U.S. which produces around 20 million flats of strawberries on 11,000 acres every year. Three influential growers who combined, control about 30% of the production in the region, expressed interest in gauging how the BVT System could improve the productivity of their farming operations and how it could be incorporated into their crop production practices on a commercial scale. The demonstration fields were assessed for both (a) control of Botrytis gray mold, a costly disease in strawberries which causes the fruit to rot and reduces the shelf life of berries, and (b) the ability to improve marketable yield.

In the first demonstration, conducted on 40 acres at JayMar Farms, the field was divided into three sections: one section was treated with chemical fungicides alone, the second section was treated with the BVT System and the same chemical program used in the first section, while in the third section the BVT System was used with a 50% reduction in the chemical sprays. The results of the first demonstration are as follows:

- The two sections with the BVT System had statistically significant reductions in incidence of botrytis gray mold (3% vs 13%);
- The section where the BVT System was used with a 50% reduction of the chemical fungicides had the best marketable yield, 26% better yield than chemicals alone in direct comparisons; and
- The section where the BVT System was used together with the full chemical program produced a 6% higher yield than where the chemicals were used alone in direct comparisons.

The second grower demonstration was conducted on 20 acres with three sections: one section was treated with chemical fungicides alone, while the other two were treated with the BVT System in addition to the chemical fungicide program. The results of the second demonstration are as follows:

- All sections of the field had low levels of botrytis gray mold;



- The two sections where the BVT System was used produced 6% and 24% more marketable yield respectively than chemical fungicides alone; and
- On average for the season, plants in the sections where the BVT System was used produced 11% more berries per plot compared against the chemical fungicide section.

The third grower demonstration was conducted on 10 acres with two sections: one with a chemical program, and the other with the BVT System plus the same chemical program. The results of the third demonstration are as follows:

- Both sections of the field had low levels of incidence of the botrytis disease; and
- The section with the BVT System had a 29% higher marketable yield across two observations when compared against the chemical only section.

On June 7, 2017, the Company completed trials on strawberries and indoor tomatoes in Spain, Italy, and Greece. The trials were conducted using the BVT System and initial data collected confirmed positive results from previous successful North American trials:

- The BVT System contributes to the control of Botrytis (grey mould), a common and costly disease in strawberries;
- The BVT System increases marketable yields;
- The trials indicate improved shelf life of the strawberries; and
- In tomatoes the BVT System visually improved the health of stem wounds in the plant.

Four independent contract research organizations, Eurofins, Promovert, Anadiag and Agri-2000, individually conducted the trials to prove the efficacy of the BVT System for controlling certain plant diseases and improving the productivity of strawberry and indoor tomato crops in Europe. The replicated trials were designed using the European regulatory process in mind, and the data will be used as part of the submission for European regulatory approval of BVT-CR7.

On July 26, 2017, the Company received official organic certification in the US, and announced that its proprietary formulation of Vectorite™ with BVT-CR7 was listed by the Organic Materials Review Institute (“**OMRI**”). The listing meant the product meets the U.S. Department of Agriculture’s guidelines under the National Organic Program standard and is allowed for use in certified organic crops.

On August 16, 2017, the Company announced the successful results from 3 trials on strawberries in Spain and Greece. Results from 2 trials in Spain, and 1 in Greece which were conducted to prove the efficacy of the BVT System showed similar positive outcomes to previous successful North American trials and commercial demonstrations conducted in Florida:

- The BVT System performed as effectively as standard chemical fungicide treatments in the control of Botrytis (grey mould), a common and costly disease in strawberries;
- The BVT System increased marketable yields in all trials: from 3 to 15% compared to standards chemical fungicide treatments, and from 14 to 42% compared to untreated; and
- The BVT System provided control of Botrytis in harvested and stored berries thereby increasing their shelf-life.

On August 23, 2017, the Company entered into a sales and distribution agreement (the “**Guardian Agreement**”) with Guardian Soil in Florida for the launch of the BVT System. Under

the Guardian Agreement, Guardian Soil will acquire sales for the Company from its customer base and will be responsible for installing the complete BVT System on a farmer's field. Guardian Soil will maintain the BVT System by replacing the trays periodically to deliver fresh product to the crop throughout the season which runs typically from mid-December to the end of March, and for its disposal at the end of the season. BVT will invoice the growers directly on a monthly basis, per acre where the BVT System is being used in the season.

On August 30, 2017, the Company announced that Mr. Mike Walkinshaw would resign as a director of the Company effective August 31, 2017. Mr. Walkinshaw decided he needed to commit more time to his other responsibilities and would not be able to continue in his role with the Company.

On October 2, 2017, the Company received notice of allowance of the following key patent applications for the Tray System in two agricultural markets:

- Chile Patent No. 53.259: Represents the first patent secured by the Company in South America; and
- Japan Patent No. 6066496: Represents the first patent secured in Japan, and strengthens the Asian patent portfolio which already includes a previously approved patent in China.

On October 18, 2017, the Company announced that it has been selected as one of three finalists for the prestigious global Agrow Awards in the category of Best Application Technology Innovation. The Agrow Awards recognize excellence in the global crop protection and production industries. Entries in 14 categories are evaluated using a wide range of criteria by an independent judging panel consisting of a group of experts from around the world.

On October 24, 2017, the Company secured revenue commitments from several notable strawberry growers in Florida for the winter 2017 growing season. Growers will use the BVT System under a special license obtained from the State of Florida as a plant amendment. The growers will be billed multiple times during the growing season for each acre where the BVT System is being used. The BVT System will be setup, maintained, and disposed of at the end of the season by Guardian Soil, BVT's distribution partner.

On December 4, 2017, the Company announced its successful trial results in blueberries. The trial was conducted near Parrsborough, Nova Scotia, Canada in low bush blueberries with the Wild Blueberry Research Program at Dalhousie University using the honeybee BVT System. The trial was designed to determine the effectiveness of the BVT Technology in controlling Botrytis blight (gray mold) and Monilinia blight (mummy berry), two common and devastating diseases affecting blueberry crops across North America, compared to untreated control and current chemicals standards used by growers, as well as increases in productivity of the crop measured by marketable yield.

On January 16, 2018, the Company announced the successful results from trials in sunflowers conducted during 2017. The trials were designed to evaluate the ability of the BVT System to manage Sclerotinia head rot, an invasive fungal disease that causes high levels of loss in sunflowers and currently has no viable method of prevention. This was the second year of trials in sunflowers in collaboration with North Dakota State University ("**NDSU**"), and the first year in which both BVT's bumble bee hive dispenser and the honeybee hive dispenser were tested. In replicated trials conducted at NDSU using bumblebees, the BVT System delivered a 47% reduction in incidence and a 20% reduction in the severity of Sclerotinia head rot on average

across three different observations. Similar level of reductions in disease were seen in the trials conducted in 2016. Yield differences could not be quantified due to collection issues during the harvest. Additionally, a commercial demonstration with the honeybee BVT System was conducted on portions of a 200-acre field that is part of a large farming operation in the Munich, North Dakota area. There was generally low disease pressure in the field, but the crop in areas within the range of the flight of bees showed further disease suppression, and yield increases.

On March 14, 2018, the Company appointed, on a contractual basis, Dr. Gerardo Suazo, Ph.D., M.B.A. to the position of Senior Technical Manager. Dr. Suazo will be responsible for overseeing and managing trials in Mexico and plays a key role in driving the BVT Technology adoption within the country.

On April 16, 2018, the Company received two new key patent application allowances:

- US Patent Application Ser. No. 15/092,968: This application received a Notice of Allowance and, upon issuance, will provide a second patent in the U.S. for the unique carrier formulation that allows beneficial microbes to be carried by bees. The second patent will expand protection of the formulation to include third party microbes; and
- Israeli Patent No. 228762: This recently granted patent for the Company's bumble bee delivery system is the first patent secured in Israel, a key market with a deep tradition for agricultural innovation.

The first U.S. patent on the carrier formulation focused on the Company's own unique beneficial microbe *clonostachys rosea* which has a broad spectrum of control for various plant pathogens. The allowed claims of the second patent include claims that are not specific to any particular microbe to be used within the formulation, and so provide broader protection to the Company as it explores the use of other beneficial microbes for delivery through the BVT System for crop protection and/or growth enhancement.

On April 25, 2018, the Company appointed Brandon Boddy to its Board. Mr. Boddy received 200,000 Options for the board position; each Option is exercisable to purchase one Common Share for five years at a price of C\$0.25 per Common Share. In addition, Mr. Brandon participated in a non-brokered private placement of 500,000 Units at a price of \$0.25 per Unit for gross proceeds of C\$125,000. Each Unit consists of one Common Share and one Warrant. Each Warrant will entitle the holder to purchase one additional Common Share at a price of C\$0.35 per Common Share for a period of 2 years from the date of issue.

On June 19, 2018, the Company submitted registration documents in Switzerland for use of BVT-CR7 against fungal diseases in production agriculture. BVT will initially target crops that require pollination and are susceptible to diseases such as Botrytis, such as strawberries and tomatoes. Application of BVT-CR7 before pathogens infect the plant, not only controls disease, but can improve plant vigor as well as quality and yield at harvest.

On July 25, 2018, the Company hired Everett Hendrixon as Territory Manager to drive its sales efforts in Florida and the southeastern U.S. Based in the Tampa area, Mr. Hendrixon will lead BVT's commercialization efforts and help berry growers implement the BVT System into their operations.

On August 13, 2018, the Company announced that it has entered a third year of sunflower trials using the BVT System. Top researchers at NDSU Extension will conduct trials at sites near Langdon and Carrington, North Dakota. Trials using the honeybee BVT System will also be

conducted in several commercial fields with key growers in Minnesota and North Dakota. Two previous seasons of trial work of the BVT System in sunflowers showed a 47% and 36% reduction (respectively) in disease incidence, and a 20% and 22% reduction in disease severity, of Sclerotinia head rot. Additionally, the use of the BVT System resulted in plants that were healthier, had improved vigor and increased sunflower seed yield 8% per acre in 2016 (yield measurements were not quantified in 2017).

On October 30, 2018, the Company and Biobest Group NV of Belgium (“**Biobest**”) entered into a global technology sharing agreement (the “**Biobest Agreement**”) which provides reciprocal access to certain patents of each company. The Biobest Agreement enables both companies to accelerate efforts to bring bee vectoring solutions to growers worldwide and ensuring leading positions in the market.

On November 15, 2018, the Company announced that it has been named by the Swiss State of Fribourg, as one of its Agri & Co Challenge winners, as well as being recognized as the COREB Award winner. BVT and 15 other companies beat out more than 150 other ag-tech companies from 53 different countries for the award. In addition to being one of the ten relocation program winners, BVT was singled out as the COREB Award winner, with an additional cash prize of CHF 5,000. COREB is an association of communities within the Broye region of Switzerland that supports technology companies and encourages them to establish a presence in the region. The COREB Award is voted on by the public and is based on the perceived viability of technology, likelihood of success, and mission of the organization.

On December 12, 2018, the Company announced that it is accelerating efforts to bring the BVT System to commercial growers in Mexico. BVT began the registration process of its BVT-CR7, as a biofungicide for control of common fungal diseases including botrytis. For assistance with the registration process in Mexico, BVT contracted with a regulatory consultant, and started building relationships with large honey beekeepers as well as the two largest suppliers of bumble bees for pollination, which BVT intends to leverage for the Mexican market. BVT has also begun targeted business development activity in Mexico to introduce growers to its product delivery platform that uses both honey and bumble bees to efficiently deliver disease control products to plants.

On January 22, 2019, the Company received patent allowance for its microbial strain BVT-CR7, granted in the United States. This patent allowance protects a critical component of the BVT Technology. This is the first patent granted to BVT for its BVT-CR7 microbial strain, representing the start of a fourth family of granted patents in BVT’s expanding patent portfolio. This patent application is under review by 15 other patent authorities around the world, including the EPO.

On January 28, 2019, the Company announced the invoicing of the first commercial sales of its BVT Technology to strawberry growers in Florida.

On March 14, 2019, the Company expanded the pilot launch of the BVT Technology into the Georgia blueberry market, following its successful launch in the Florida strawberry market. BVT conducted grower demonstrations in the Georgia blueberry market with growers seeing positive results. Additionally, after hearing about the innovative approach taken by BVT to increase yields, some growers, such as Major League Blueberries located near Nicholls, Georgia, contacted BVT to conduct blueberry trials with the BVT System on their own farms.

On March 25, 2019, the Company's Board approved a restricted share unit plan (the "**RSU Plan**") and a 20% fixed stock option plan (the "**Option Plan**") to grant restricted share units ("**RSUs**") and Options to directors, officers, key employees and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company may reserve up to an aggregate of 15,519,854 Common Shares pursuant to awards granted under the plans. Pursuant to the new plans, the Company has granted 728,059 RSU's and Options exercisable for 218,418 Common Shares to certain directors, officers, key employees and consultants who have agreed to forgo an aggregate of CDN \$141,972 of their cash compensation, representing a portion or all their cash compensation for a period of four months (March to June 2019), and as an incentive for individuals to drive the growth of the Company. The RSU's and 50% of the Options vest only upon EPA's approval of the Company's Vectorite™ with CR-7 product. The Options, 50% of which vest immediately, are exercisable at CDN \$0.195 per Common Share until March 22, 2024. In addition, the Board has approved the grant of 1,610,000 Options to certain directors, officers, employees and consultants of the Company, which vest in three months and are exercisable at CDN \$ 0.195 per Common Share until March 22, 2024.

On April 24, 2019, announced that the first season of the pilot launch into the Florida strawberry market has concluded with expanding commercial sales of its BVT Technology. From November 2018 to March 2019, five growers purchased the BVT System as part of BVT's pilot launch. When comparing fields where the BVT System was added to the standard spray program versus those using the spray program alone, growers this season saw yield increases ranging from 28% to 146%. In addition, BVT completed a second year of replicated research and development trials with Dr. Natalia Peres, Professor, Strawberry Pathology at the University of Florida Institute of Food and Agricultural Sciences, and a leading strawberry expert and key opinion leader for the Florida strawberry grower community. As with the previous year, the BVT System delivered a higher yield when added to a standard spray program as compared to the spray program alone. The average yield increase over the two years of Dr. Peres' trial work is 20%. Adjustments implemented to the BVT System to minimize weather impact all worked as planned with growers enjoying more robust bee activity throughout the season. These changes included optimizing the hive counts per acre, fine-tuning the timing of hive placements, and improving the design of the hive boxes themselves.

On August 28, 2019, the EPA approved BVT-CR7 for use as a fungicide on commercial crops. BVT-CR7 is the first registered active ingredient for the Company and the first active ingredient approved by the EPA for application via bees. Sold under the brand name Vectorite™ with CR-7, the product is labeled for numerous high-value crops, including strawberries, blueberries, sunflowers and almonds. With this approval, the BVT is positioned to officially launch and begin to generate revenue with Vectorite™ with CR-7, starting with the 2019 fall and winter blueberry and strawberry season in the U.S. The registration permits BVT to make positive crop protection claims when selling Vectorite™ with CR-7. The EPA's registration makes Vectorite™ with CR-7, EPA Registration. No. 90641-2, available immediately for sale as a registered fungicide for use on the labelled crops.

On October 23, 2019, the Company announced Sizemore Farms, a top-tier grower of Florida strawberries, as the first commercial grower deal for the Company's Vectorite™ with CR-7 product. Sizemore Farms will be using the Company's BVT System and Vectorite™ with CR-7 on 100% of their 62-acre organic strawberry crop and is considering testing the naturally-derived fungicide on a portion of their 600+ conventional acres for possible implementation on their 2020 crop.

On October 30, 2019, the EPA established an exemption from the requirement of a tolerance under the *Federal Food, Drug and Cosmetic Act* for BVT-CR7, the active ingredient in, Vectorite™ with CR-7. The tolerance exemption decision applies to all registered end-use products based on BVT-CR7. This includes Vectorite™ with CR-7 for delivery using bees, and future products currently in development by BVT for delivery via traditional foliar spray, soil drench or seed coating methods. The exemption applies to crops treated with BVT-CR7 that are grown and consumed in the U.S., as well as crops that are grown outside of the U.S. and subsequently imported into the country. This tolerance exemption complements the EPA approval and OMRI organic certification for Vectorite™ with CR-7.

On November 6, 2019, the Company signed deals with two leading commercial blueberry growers in Georgia to use the BVT System and Vectorite™ with CR-7. BVT also announced that it is in discussions with more than 10 additional blueberry growers in Georgia, as well as in other blueberry growing regions, and is expecting additional order commitments. The two signed blueberry growers will be using the BVT System on a combined 250 acres of conventional fields for the 2020 season. The addition of the BVT System is expected to increase yield and protection against disease while using a fraction of the product required with traditional spray applications. Water consumption and use of fossil fuels is also significantly reduced for producers using the BVT System. One of the contracted blueberry growers will adopt the BVT System on 100% of their fields, after trials on progressively larger sections in past seasons. The second grower is a first-time user, adopting the BVT System on 25% of their acreage to start. As is typical with growers, they plan to progressively add the BVT System to their entire operations over two to three seasons.

On November 13, 2019, the Company announced that it has been recognized in the 2019 Agrow Award for Best Application Technology Innovation for the BVT System and Vectorite™ with CR-7. The Best Application Technology Innovation Award recognizes developments that improve the precision or safety of pesticide applications. The Agrow Awards are the premier global competition that honors top advancements in agriculture and best-in-class scientific, technological and leadership initiatives and showcase the future of the industry. It is organized by Agrow, the news and analysis service division of Informa Agribusiness Intelligence. The awards recognize industry successes and innovative, boundary-pushing ideas, with winners chosen from around the world by a distinguished judging panel from within the industry.

On November 20, 2019, the Company sold out its planned Florida allocation of commercial bumblebee hives with the BVT System and Vectorite™ with CR-7. Multiple Florida strawberry growers, including a second top-tier producer to adopt the BVT Technology, will be using the BVT System on a combined 150 acres of conventional and organic fields. Florida fields are planted in October, and the plants start to bloom in late November. The hives with the BVT System are carefully timed to coincide with that blooming period; they will be in place on growers' fields starting in late November. While the Florida production window is traditionally from December through March, an increase in strawberry imports from Mexico in recent years during March is further shortening this window and putting both pricing and profit pressure on the strawberry producers. The BVT System is allowing growers to maximize disease protection while increasing yields and quality during this tightening window, which increases their market competitiveness.

On November 27, 2019, the Company announced it has completed phase one lab trials on six third-party products using the BVT System. Phase two field studies on three of those products will commence shortly. The goal of the project is to open new market opportunities and fast-track additional revenue for BVT. Because these microbial candidate products control a different

spectrum of crop pests than BVT's proprietary CR-7, they can be used on their own in crops where pests controlled by CR-7 are not present, or along with CR-7 on crops that have multiple pests affecting the flower area. Adding third-party products to existing CR-7 applications is achieved by "stacking" two or more microbes together, a practice already common in seed treatment applications. Using the new products on new crops creates additional revenue streams and will increase revenue from crops that already use CR-7. As part of the Company's in-licensing project, the products were initially lab-tested for compatibility with its formulation of Vectorite™ powder and its beneficial microbe CR-7, and to evaluate if commercial bumblebees could carry the spores of the microorganisms directly to plant blooms. Based on favorable results, the Company has shortlisted three of the products to be used in the upcoming field studies.

On December 4, 2019, the Company announced that it has closed a total of ten deals with blueberry growers in Georgia for the upcoming growing season: this includes eight new growers and two previously announced growers. These producers will be using BVT's proprietary bee delivery system and US EPA-registered product, VECTORITE™ with CR-7, on their blueberry crops. The blueberry growers will be using BVT on an estimated 500 combined acres of conventional and organic fields for the 2020 blueberry season in Georgia, where blooming starts in February. Blooming marks the beginning of the blueberry season, when the BVT system is used, but crop season continues until harvest which occurs in the spring and summer. All but one grower are first-time users who will be piloting BVT on a small percentage of their total acreage with the expectation that they will progressively add BVT across their entire operations over two to three seasons. The growers farm on a combined total of about 1,500 acres.

On December 11, 2019, the Company announced that it has filed an international patent application for the latest version of its honeybee hive dispenser system that the Company has tested and is bringing to market. This application strengthens the patent protection for the honeybee system by building on the previously filed application (BVT Press Release March 2, 2017). This system is computer-controlled, enabling metered and uniform delivery of plant protection products to crops using commercial honeybees. This is the latest product addition to BVT's natural precision agriculture system. Patents are one of BVT's key strategies to ensure legal protection as the Company continues its post-US EPA approval commercial expansion.

The Company continues to pursue an aggressive IP strategy, with over 65 patents granted worldwide and over 35 pending, including the new honeybee system. Consisting of six patent families, the patents cover North America, South America, Europe, Asia and Australia.

On January 29, 2020, the Company announced that it has closed five new deals with blueberry growers in Florida, North Carolina and South Carolina to use BVT's proprietary bee delivery system VECTORITE™ with CR-7, on portions of their crops in the upcoming growing season. In the five months since US Environmental Protection Agency approval, the Company has secured committed business with growers who collectively represent about 10% of blueberries grown in the Southeastern US and exceeded its sales target for that market. The Company's original target for blueberry growers in the US Southeast was 10 growers and 500 acres; however with these agreements in place BVT has surpassed this goal and will now cover 700 acres with 15 growers across the region. The newly signed blueberry growers are first-time users of the BVT system. Each one will pilot BVT on a percentage of their conventional and organic crops (a total of 280 acres out of a combined 1,400 acres on which they farm), with the expectation that they will add BVT across their entire operations over two to three seasons based on positive results.

On February 12, 2020, the Company announced it had completed three official registration trials of the Company's proprietary BVT-CR7 biological fungicide on commercial strawberry and tomato crops in Mexico. The Company worked with a Mexican government approved researcher to conduct the biological efficacy trials which are a requirement for the registration process in Mexico. Results confirmed the efficacy of CR-7 in controlling key diseases on the crops as expected, and the trial results will be submitted to Mexican regulatory authorities for review in the coming weeks. The remaining registration dossier is being prepared and is planned to be submitted by spring or early summer of this year. The trials also tested the Company's biological fungicide CR-7 as a weekly spray with very positive results: the growers saw a 66% or greater efficacy in incidence and severity reduction over untreated control or standard organic commercially treated crops. This paves the way for a future introduction of a foliar spray end use product containing CR-7. BVT received an exemption from tolerance on CR-7 from the EPA which means all crops that are grown using any end use formulation of CR-7, including a foliar spray product, would not have to be tested for residues of CR-7 by Mexican growers before they export their crops into the US. This is seen as a major benefit in an export-oriented market such as Mexico.

#### *Selected Financings*

On March 21, 2017, the Company completed the first tranche of a non-brokered private placement which consisted of the sale and issuance of 4,602,000 Units at a price of \$0.25 per Unit for gross proceeds of C\$1,150,500 (a "**Unit Offering**"). Each Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of C\$0.40 per Common Share for a period of three years from the date of issuance, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Company on the TSXV is equal to or exceeds C\$0.65 for a period of 30 consecutive trading days commencing 4 months after the date the Warrants are issued. The Company paid commissions to eligible finders under the Unit Offering totaling C\$52,155 and issued to such finders a total of 178,800 Warrants (the "**Finder's Warrants**"). Each Finder's Warrant entitles the holder to acquire one Common Share at \$0.40 per Common Share until March 21, 2019, subject to the acceleration terms as noted above.

On April 21, 2017, the Company closed the second tranche of its non-brokered private placement for aggregate gross proceeds of C \$278,000 (the "**Second Unit Offering**"). In connection with the second tranche closing, the Company issued 1,112,000 Units at a price of \$0.25 per Unit. Each Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of \$0.40 per Common Share until April 21, 2019, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Company on the TSXV is equal to or exceeds C\$0.65 for a period of 30 consecutive trading days commencing 4 months after the date the Warrants are issued. The Company paid an aggregate of \$ 28,097 and issued 60,720 Finders Warrants in connection with the Second Unit Offering. Each Finder's Warrant entitles the holder to acquire one Common Share at \$0.40 per Common Share for 2 years from the issuance date of the Finder's Warrant, subject to the acceleration terms as noted above.

On September 19, 2017, the Company completed a non-brokered private placement of 3,922,000 Units at a price of \$0.20 per Unit for gross proceeds of C\$784,400. Each Unit consists of one Common Share and one half of one Warrant. Each whole Warrant entitled the holder to purchase one additional Common Share at a price of C\$0.35 per Common Share until



September 19, 2019, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Company on the TSXV is equal to or exceeds C\$0.50 for a period of 20 consecutive trading days any time after January 20, 2018. The Company paid commissions to finders consisting of cash fees of C\$18,840 and the issuance of 89,700 Finder's Warrants. Each Finder's Warrant entitles the holder to purchase one Common Share at a price of C\$0.35 per Common Share until September 19, 2019, subject to the acceleration terms as noted above. The Company subsequently extended the term of the Warrants for one additional year on August 12, 2019, and the Warrants now expire on September 19, 2020.

On February 16, 2018, the Company closed a non-brokered private placement for gross proceeds of C\$1,575,000 and issued a total of 6,300,000 Units at a price of \$0.25 per Unit. Each Unit consists of one Common Share and one half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of C\$0.30 per Common Share until February 16, 2019. The Company paid commissions to finders consisting of cash fees of C\$105,600 and the issuance of 422,400 Finder's Warrants. Each Finder's Warrant entitles the holder to purchase one Common Share at a price of C\$0.30 per Common Share until February 16, 2019.

On March 28, 2018, the Company closed a non-brokered private placement of 12,000,000 Units of the Company at a price of \$0.25 per Unit for gross proceeds of C\$3,000,000. Each Unit consists of one Common Share and one Warrant. Each Warrant entitles the holder to purchase one additional Common Share at a price of C\$0.35 per Common Share until March 28, 2020.

On May 4, 2018, the Company closed a non-brokered private placement of 500,000 Units at a price of \$0.25 per Unit for gross proceeds of C\$125,000. Each Unit consists of one Common Share and one Warrant. Each Warrant entitles the holder to purchase one additional Common Share at a price of C\$0.35 per Common Share until May 2, 2020.

On October 23, 2019, the Company closed a non-brokered private placement of 4,242,104 special warrants ("**Special Warrants**") at a price of \$0.25 per Special Warrant for gross aggregate proceeds of C \$1,060,526 (the "**SW Offering**"). Each Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one Unit four months and one day after closing. Each Unit will consist of one Common Share and one transferable Warrant. Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share for a period of 18 months following the closing, at an exercise price of C\$0.40 per Common Share. The Company has the right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Company on the TSXV is equal to or exceeds C\$0.55 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. A director of the Company participated in the SW Offering and will acquire, directly or indirectly, an aggregate of 60,000 Special Warrants. New investors that are friends and family of the directors and who are not insiders also purchased 580,000 Special Warrants in the SW Offering. The Company paid a finder's fees of \$700 cash and issued 2,800 Finder's Warrants on the same terms noted above to qualified parties in connection with the SW Offering.

On November 28, 2019, the Company closed a supplementary non-brokered private placement of 3,047,647 Special Warrants at a price of \$0.35 per Special Warrant for gross aggregate proceeds of C \$1,066,677 (the "**Second SW Offering**"). Each Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one Unit four months and one day after

closing. Each Unit consists of one Common Share and one transferable Warrant. Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share for a period of 18 months following the closing, at an exercise price of C\$0.45 per Common Share. The Company has the right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Company on the TSXV is equal to or exceeds C\$0.60 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. In connection with the Second SW Offering, the Company paid finders fees to qualified parties in the amount of \$57,805 cash and issued 115,177 Finder's Warrants on the same terms noted above and 49,980 Units ("**Finder's Units**") exercisable at C\$0.35 per Finder's Unit for a period of 18 months following the closing of the Second SW Offering. Each Finder's Unit exercised converts into one Common Share and one Finder's Warrant exercisable at C\$0.45 per Common Share for a period of 18 months from the date in which the Finder's Unit is exercised.

## SHARE STRUCTURE

the Company's authorized capital consists of an unlimited number of Common Shares without par value of which 79,949,828 are currently issued and outstanding.

All of the issued Common Shares are fully paid and non-assessable. Each Common Share entitles the holder thereof to one vote per Common Share at all meetings of shareholders. All of the Common Shares issued rank equally as to dividends, voting rights and distribution of assets on winding up or liquidation. Shareholders have no pre-emptive rights, nor any right to convert their Common Shares into other securities. There are no existing indentures or agreements affecting the rights of shareholders other than the notice of articles and articles of the Company.

As of the date of this Prospectus, the Company has the following securities outstanding:

- 79,154,828 Common Shares;
- 7,289,751 Special Warrants;
- 1,323,500 Warrants exercisable at \$0.35 per Common Share until September 19, 2020;
- 12,000,000 Warrants exercisable at \$0.35 per Common Share until March 28, 2020;
- 500,000 Warrants exercisable at \$0.35 per Common Share until May 2, 2020;
- 50,000 Options exercisable at \$0.25 per Common Share until June 30, 2020;
- 1,580,000 Options exercisable at \$0.25 per Common Share until July 6, 2020;
- 1,600 Options exercisable at \$0.30 per Common Share until August 8, 2020;
- 275,000 Options exercisable at \$0.43 per Common Share until November 6, 2020;
- 2,800 Finder's Warrants with an expiry date of April 23, 2021;
- 115,177 Finder's Warrants with an expiry date of May 28, 2021;
- 49,980 Finder's Units with an expiry date of May 28, 2021;
- 100,000 Options exercisable at \$0.28 per Common Share until June 1, 2021;
- 325,000 Options exercisable at \$0.50 per Common Share until June 23, 2021;
- 1,000,000 Options exercisable at \$0.32 per Common Share until August 30, 2026;
- 100,000 Options exercisable at \$0.32 per Common Share until October 1, 2021;
- 200,000 Options exercisable at \$0.25 per Common Share until April 21, 2022;
- 365,000 Options exercisable at \$0.25 per Common Share until March 1, 2023;
- 600,000 Options exercisable at \$0.25 per Common Share until March 28, 2023;
- 200,000 Options exercisable at \$0.25 per Common Share until April 25, 2023;
- 25,000 Options exercisable at \$0.16 per Common Share until February 7, 2024;
- 1,798,418 Options exercisable at \$0.195 per Common Share until March 22, 2024;

- 50,000 Options exercisable at \$0.24 per Common Share until September 16, 2024; and
- 5,900,000 Options exercisable at \$0.31 per Common Share until October 30, 2024.

### **CONSOLIDATED CAPITALIZATION**

There have been no material changes in the share or loan capital of the Company on a consolidated basis since June 30, 2019, the date of the Interim Financial Statements, except for the following:

- 728,059 Common Shares issued on September 4, 2019;
- 50,000 Options granted on September 16, 2019;
- 4,242,104 Special Warrants issued on October 23, 2019;
- 2,800 Finder's Warrants issued on October 23, 2019;
- 5,900,000 Options granted on October 30, 2019;
- 3,047,647 Special Warrants issued on November 28, 2019;
- 115,177 Finder's Warrants issued on November 28, 2019; and
- 49,980 Finder's Units issued on November 28, 2019.

### **EARNINGS COVERAGE RATIOS**

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

### **USE OF PROCEEDS**

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of the Securities are principally intended to fund the Company's working capital requirements. Specific information about the use of net proceeds of any offering of Securities under this Prospectus will be set forth in the applicable Prospectus Supplement.

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company (excluding potential contingencies and any deficiencies). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, a reallocation may be deemed prudent or necessary. Pending actual expenditures, the Company may invest the funds in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management. The Company cannot predict whether the proceeds invested will yield a favourable return. See "**Risk Factors**" in the Prospectus and "**Risks Factors**" in the Annual MD&A for the period ended September 30, 2019.

### **DESCRIPTION OF SECURITIES BEING DISTRIBUTED**

#### **Common Shares**

The holders of Common Shares are entitled to one vote per Common Share at all meetings of the shareholders of the Company either in person or by proxy. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Company, and the

distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

All Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other disposition of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Common Shares are not subject to any call or assessment rights, any pre-emptive rights, any conversion or any exchange rights. The Common Shares are not subject to any redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions. Additionally, the Common Shares are not subject to any provisions permitting or restricting the issuance of additional securities and any other materials restrictions or any provisions requiring a securityholder to contribute additional capital to the Company.

### **Preferred Shares**

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Preferred Shares, will be described in the applicable Prospectus Supplement. One or more series of Preferred Shares may be sold separately or together with Common Shares, Debt Securities, Subscription Receipts, Warrants or Units under this Prospectus, or on conversion or exchange of any such Securities.

The Company is currently authorized to issue an unlimited number of Preferred Shares. Subject first to obtaining all necessary corporate and regulatory approvals, it is proposed that the Preferred Shares will be issued from time to time in one or more series, and that the Company's board of directors will be authorized to fix, before the issuance thereof, the number of Preferred Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of the Company, any sinking fund or other provisions, the whole to be subject to the issuance of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

This section describes the general terms that will apply to any Preferred Shares being offered. The terms and provisions of any Preferred Shares offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Preferred Shares that will be described in the related Prospectus Supplement will include, where applicable:

- a) the offering price of the Preferred Shares;
- b) the title and designation of number of shares of the series of Preferred Shares;
- c) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate;
- d) any conversion or exchange features or rights;

- e) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;
- f) any liquidation rights;
- g) any sinking fund provisions;
- h) any voting rights;
- i) whether the Preferred Shares will be issued in fully registered or "book-entry only" form;
- j) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and
- k) any other specific terms.

## **Debt Securities**

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of a series of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in the applicable Prospectus Supplement. One or more series of Debt Securities may be sold separately or together with Common Shares, Preferred Shares, Subscription Receipts, Warrants or Units under this Prospectus, or on conversion or exchange of any such Securities.

## **Priority & Security**

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct secured or unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are unsecured senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Company reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The board of directors of BVT may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of our other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed by any other person and the nature and priority of any security.

## **Terms of the Debt Securities**

In conformity with applicable laws of Canada, for all bonds and notes of companies that are publicly offered, the Debt Securities will be issued under one or more indentures between the Company and a trustee that will be named in the applicable Prospectus Supplement. There will be a separate indenture for the senior Debt Securities and the subordinated Debt Securities, if applicable. An indenture is a contract between a financial institution, acting on your behalf as trustee of the Debt Securities offered, and the Company. The trustee has two main roles. First, subject to some limitations on the extent to which the trustee can act on your behalf, the trustee can enforce your rights against the Company if it defaults on its obligations under the indenture.

Second, the trustee performs certain administrative duties for the Company. The aggregate principal amount of Debt Securities that may be issued under each indenture is unlimited. A copy of the form of each indenture to be entered into in connection with offerings of Debt Securities will be filed with the securities regulatory authorities in Canada when it is entered into. A copy of any indenture or supplement thereto entered into by the Company will be filed with securities regulatory authorities and will be available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Company may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these Securities at a discount below their stated principal amount. The Company may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Selected provisions of the Debt Securities and the indenture(s) under which such Debt Securities will be issued are summarized below. This summary is not complete. The statements made in this Prospectus relating to any indenture and Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable indenture.

The indentures will not limit the amount of Debt Securities that we may issue thereunder. We may issue Debt Securities from time to time under an indenture in one or more series by entering into supplemental indentures or by our board of directors or a duly authorized committee authorizing the issuance. The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date. Unless otherwise indicated in the applicable Prospectus Supplement, we may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

The Prospectus Supplement for a particular series of Debt Securities will disclose the specific terms of such Debt Securities, including the price or prices at which the Debt Securities to be offered will be issued. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities. Those terms may include some or all of the following:

- a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- b) the indenture under which such Debt Securities will be issued and the trustee(s) thereunder;
- c) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- d) whether such Debt Securities are senior or subordinated and, if subordinated, the applicable subordination provisions;

- e) the percentage of the principal amount at which such Debt Securities will be issued;
- f) the date or dates on which such Debt Securities will mature;
- g) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- h) the dates on which any such interest will be payable and the record dates for such payments;
- i) any redemption term or terms under which such Debt Securities may be defeased;
- j) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- k) the place or places where principal, premium and interest will be payable;
- l) any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable;
- m) the securities exchange(s) on which such series of Debt Securities will be listed, if any;
- n) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture;
- o) the designation and terms of any other Securities with which the Debt Securities will be offered, if any, and the principal amount of Debt Securities that will be offered with each Security;
- p) governing law;
- q) any limit upon the aggregate principal amount of the Debt Securities of such series that may be authenticated and delivered under the indenture;
- r) if other than the Company or the trustee, the identity of each registrar and/or paying agent;
- s) if the Debt Securities are issued as a Unit with another Security, the date on and after which the Debt Securities and other Security will be separately transferable;
- t) if the Debt Securities are to be issued upon the exercise of Warrants, the time, manner and place for such Securities to be authenticated and delivered;
- u) if the Debt Securities are to be convertible or exchangeable into other securities of the Company, the terms and procedures for the conversion or exchange of the Debt Securities into other securities; and
- v) any other specific terms of the Debt Securities of such series, including any events of default or covenants.

Any convertible or exchangeable Debt Securities will be convertible or exchangeable only for other securities of the Company. In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against the Company following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. Additional information concerning this right of rescission is included under the heading "**Statutory Right of Rescission**".

Debt Securities, if issued in registered form, will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for an equal aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the relevant trustee. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

## **Modifications**

We may amend any indenture and the Debt Securities without the consent of the holders of the Debt Securities in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Debt Securities. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

## **Subscription Receipts**

Subscription Receipts may be offered separately or together with Common Shares, Preferred Shares, Debt Securities, Warrants or Units, as the case may be. Subscription Receipts will be issued under a subscription receipt agreement (a "**Subscription Receipt Agreement**") that will be entered into between us and the escrow agent (the "**Escrow Agent**") at the time of issuance of the Subscription Receipts. Each Escrow Agent will be a financial institution authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

## **Terms of the Subscription Receipts**

The Subscription Receipt Agreement will provide each initial purchaser of Subscription Receipts with a non-assignable contractual right of rescission following the issuance of any Common Shares, Warrants or Debt Securities, as applicable, to such purchaser upon the exchange of the Subscription Receipts if this Prospectus, the Prospectus Supplement under which the Subscription Receipts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (British Columbia). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities issued in exchange therefor, provided that such remedy for rescission is exercised in the time stipulated in the Subscription Receipt Agreement. This right of rescission will not extend to any holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the Subscription Receipt Agreement covering the Subscription Receipts being offered. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement and Subscription Receipt Agreement. A copy of the Subscription Receipt Agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at [www.sedar.com](http://www.sedar.com). Prospective investors should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts.

Subscription Receipts will entitle the holder thereto to receive other Securities (typically Common Shares or Debt Securities), for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by the Company. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by an escrow or other agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction



or event has occurred). Holders of Subscriptions Receipts will receive other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time, a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon.

This section describes the general terms that will apply to any Subscription Receipts being offered and is not intended to be complete. The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Subscription Receipts that will be described in the related Prospectus Supplement will include, where applicable:

- a) the number of Subscription Receipts;
- b) the price at which the Subscription Receipts will be offered;
- c) conditions (the "**Release Conditions**") for the exchange of Subscription Receipts into Common Shares, Warrants or Debt Securities, as the case may be, and the consequences of such conditions not being satisfied;
- d) the procedures for the exchange of the Subscription Receipts into Common Shares, Warrants or Debt Securities;
- e) the number of Common Shares, Warrants or Debt Securities to be exchanged for each Subscription Receipt;
- f) procedures for the payment by the Escrow Agent to holders of such Subscription Receipts of an amount equal to all or a portion of the subscription price of their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, if the Release Conditions are not satisfied;
- g) the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of such Subscription Receipts, together with interest and income earned thereon, or collectively, the Escrowed Funds, pending satisfaction of the Release Conditions;
- h) the dates or periods during which the Subscription Receipts may be exchanged into Common Shares, Warrants or Debt Securities;
- i) the identity of the Escrow Agent;
- j) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- k) the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to us upon satisfaction of the Release Conditions and if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- l) the currency or currency unit for which Subscription Receipts may be purchased and the aggregate principal amount, currency or currencies, denominations and terms of the series of Common Shares, Warrants or Debt Securities that may be exchanged upon exercise of each Subscription Receipt;
- m) the material income tax consequences of owning, holding and disposing of the Subscription Receipts;
- n) the securities exchange(s) on which the Subscription Receipts will be listed, if any; and
- o) any other material terms and conditions of the Subscription Receipts.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities to be received on the exchange of the Subscription Receipts. Subscription Receipts, if issued in registered form, will be exchangeable for other Subscription Receipts of the same tenor, at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

### **Escrow**

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to us (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive payment of an amount equal to all or a portion of the subscription price for their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

### **Modifications**

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or by way of consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement. The Subscription Receipt Agreement will also specify that we may amend the Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holder of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

### **Warrants**

The following sets forth certain general terms and provisions of the Warrants. We may issue Warrants for the purchase of Common Shares, Debt Securities or other Securities of the Company. Warrants may be issued independently or together with Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Units or other Securities offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Each series of Warrants will be issued under a warrant indenture or agreement between us and a warrant agent that we will name in the applicable Prospectus Supplement.

### **Terms of the Warrants**

Each initial purchaser of Warrants that are exercisable within 180 days of the date of purchase will have a non-assignable contractual right of rescission following the issuance of any securities to such purchaser upon the exercise of the Warrants if this Prospectus, the Prospectus Supplement under which the Warrants are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (British Columbia).

This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Warrants upon surrender of the securities issued on the exercise thereof, provided that such remedy for rescission is exercised within 180 days from the date of the purchase of such Warrants under the applicable Prospectus Supplement. This right of rescission will not extend to any holders of Warrants who acquire such Warrants from an initial purchaser on the open market or otherwise. Additional information concerning this right of rescission is included under the heading "**Statutory Right of Rescission**".

This summary of some of the provisions of the Warrants is not complete, the applicable Prospectus Supplement will include details of the warrant agreement(s) covering the Warrants being offered. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. A copy of the warrant agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

Warrants will entitle the holder thereof to receive other Securities (typically Common Shares or Debt Securities) upon the exercise thereof and payment of the applicable exercise price. A Warrant is typically exercisable for a specific period of time at the end of which time it will expire and cease to be exercisable.

This section describes the general terms that will apply to any Warrants being offered. The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Warrants that will be described in the related Prospectus Supplement will include, where applicable:

- a) the designation of the Warrants;
- b) the aggregate number of Warrants offered and the offering price;
- c) the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- d) the exercise price of the Warrants;
- e) the dates or periods during which the Warrants are exercisable;
- f) the designation and terms of any securities with which the Warrants are issued;
- g) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- h) if the Warrants are issued as a Unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- i) whether such Warrants will be subject to redemption or call, and if so, the terms of such redemption or call provisions;
- j) any minimum or maximum amount of Warrants that may be exercised at any one time;
- k) whether the Warrants will be issued in fully registered or global form;
- l) whether such Warrants will be listed on any securities exchange;
- m) the currency or currency unit in which the exercise price is denominated;
- n) any rights, privileges, restrictions and conditions attaching to the Warrants;
- o) the material income tax consequences of owning, holding and disposing of the Warrant; and
- p) any other specific terms.

Warrant certificates, if issued in registered form, will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

### **Modifications**

We may amend any warrant agreement and the Warrants without the consent of the holders of the Warrants in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

### **Enforceability**

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under the warrant agreements or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce, by appropriate legal action on its own behalf, the holder's right to exercise the holder's Warrants.

### **Units**

The following sets forth certain general terms and provisions of the Units. We may issue Units comprised of only one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

### **Terms of the Units**

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, including:

- a) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- b) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- c) how, for income tax purposes, the purchase price paid for the Units is to be allocated among the component Securities;
- d) the currency or currency units in which the Units may be purchased and the underlying Securities denominated;
- e) the securities exchange(s) on which such Units will be listed, if any;
- f) whether the Units and the underlying Securities will be issued in fully registered or global form; and
- g) any other specific terms of the Units and the underlying Securities.

The preceding description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depository arrangements relating to such Units.

### ***Modifications***

We may amend the unit agreement and the Units, without the consent of the holders of the Units, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Units. Other amendment provisions will be as indicated in the applicable Prospectus Supplement.

## **OTHER MATTERS RELATING TO THE SECURITIES**

### **General**

The Securities may be issued in fully registered certificated form or in book-entry only form.

### **Certificated Form**

Securities issued in certificated form will be registered in the name of the purchaser or its nominee on the registers maintained by our transfer agent and registrar or the applicable trustee.

### **Book-Entry Only Form**

Securities issued in "**book-entry only**" form must be purchased, transferred or redeemed through participants in a depository service of a depository identified in the Prospectus Supplement for the particular offering of Securities. Each of the underwriters, dealers or agents, as the case may be, named in the Prospectus Supplement will be a participant of the depository. On the closing of a book-entry only offering, we will cause a global certificate or certificates or an electronic deposit representing the aggregate number of Securities subscribed for under such offering to be delivered to or deposited with, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from us or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of such registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If we determine, or the depository notifies us in writing, that the depository is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and we are unable to locate a qualified successor, or if we at our option elect, or are required by law, to terminate the book-entry system, then the Securities will be issued in certificated form to holders

or their nominees.

## **Transfer, Conversion or Redemption of Securities**

### **Certificated Form**

Transfer of ownership, conversion or redemptions of Securities held in certificated form will be effected by the registered holder of the Securities in accordance with the requirements of our transfer agent and registrar and the terms of the agreement, indenture or certificates representing such Securities, as applicable.

### **Book-Entry Only Form**

Transfer of ownership, conversion or redemptions of Securities held in book-entry only form will be effected through records maintained by the depository or its nominee for such Securities with respect to interests of participants, and on the records of participants with respect to interests of persons other than participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through participants. The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a participant) may be limited due to the lack of a physical certificate.

## **Payments and Notices**

### **Certificated Form**

Any payment of principal, a redemption amount, a dividend or interest (as applicable) on a Security will be made by us, and any notices in respect of a Security will be given by us, directly to the registered holder of such Security, unless the applicable agreement, indenture or certificate in respect of such Security provides otherwise.

### **Book-Entry Only Form**

Any payment of principal, a redemption amount, a dividend or interest (as applicable) on a Security will be made by us to the depository or its nominee, as the case may be, as the registered holder of the Security and we understand that such payments will be credited by the depository or its nominee in the appropriate amounts to the relevant participants. Payments to holders of Securities of amounts so credited will be the responsibility of the participants.

As long as the depository or its nominee is the registered holder of the Securities, the depository or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, our responsibility and liability in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption, dividend or interest (as applicable) due on the Securities to the depository or its nominee. Each holder must rely on the procedures of the depository and, if such holder is not a participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights with respect to the Securities.

We understand that under existing industry practices, if we request any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to any Securities issued in book-entry only form, the depository would

authorize the participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by the depository or agreed to from time to time by us, any trustee and the depository.

Accordingly, any holder that is not a participant must rely on the contractual arrangement it has directly or indirectly through its financial intermediary with its participant to give such notice or take such action.

We, the underwriters, dealers or agents and any trustee identified in a Prospectus Supplement relating to an offering of Securities in book-entry only form, as applicable, will not have any liability or responsibility for: (i) records maintained by the depository relating to beneficial ownership interests of the Securities held by the depository or the book-entry accounts maintained by the depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership; or (iii) any advice or representation made by or with respect to the depository and contained in the Prospectus Supplement or in any indenture relating to the rules and regulations of the depository or any action to be taken by the depository or at the directions of the participants.

### **PLAN OF DISTRIBUTION**

The Company may sell Securities offered by this Prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares of another entity or company. The Prospectus Supplement relating to an offering of Securities will indicate the jurisdiction or jurisdictions in which such offering is being made to the public and will identify the person(s) offering the Securities. Each Prospectus Supplement will set out the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), and the proceeds to us from the sale of the Securities. Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to us.

Underwriters, dealers or agents may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an "**at-the-market**" offering as defined in and subject to limitations imposed by and the terms of any regulatory approvals required and obtained under, applicable Canadian securities laws, which includes sales made directly on an existing trading market for the Common Shares, or sales made to or through a market maker other than on an exchange. In connection with any offering of Securities, except with respect to "**at-the-market**" offerings (as defined under applicable

Canadian securities laws), underwriters may over-allot or effect transactions which stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an "at-the-market" offering, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

If underwriters or dealers purchase Securities as principals, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

The Securities may also be sold directly by us in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and us, or through agents designated by us, from time to time. Any agent involved in the offering and sale of Securities pursuant to a particular Prospectus Supplement will be named, and any commission payable by us to that agent will be set forth in such Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from us in the form of commissions, concessions and discounts. Any such commissions may be paid out of our general funds or the proceeds of the sale of Securities. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may engage in transactions with, or perform services for, us in the ordinary course of business.

Each issue by the Company of Debt Securities, Preferred Shares, Subscription Receipts, Warrants and Units will be a new issue of securities with no established trading market. Unless otherwise specified in a Prospectus Supplement relating to an offering of Debt Securities, Preferred Shares, Subscription Receipts, Warrants and Units, such Securities will not be listed on any securities or stock exchange. Any underwriters, dealers or agents to or through whom such Securities are sold may make a market in such Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any such Securities will develop or as to the liquidity of any trading market for such Securities.

In connection with any offering of Securities, the applicable Prospectus Supplement will set forth any intention by the underwriters, dealers or agents to offer, allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.



Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Unless otherwise specified in the applicable Prospectus Supplement, the Securities may not be offered, sold or delivered to, or for the account or benefit of, a person in the "United States" or, as applicable, a "U.S. person" (as such terms are defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. Each underwriter, dealer or agent for any offering of Securities pursuant to this Prospectus will agree that it will not offer, sell or deliver such securities to, or for the account or benefit of, a person in the United States, or, as applicable, a U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor acquiring any Securities offered thereunder. The applicable Prospectus Supplement may also describe certain U.S. federal income tax consequences to an investor acquiring any Securities thereunder. Prospective investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances prior to deciding to purchase any of the Securities.

### **PRIOR SALES**

Other than as set forth in the following table, we have not sold or issued any Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units or securities convertible into Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units during the 12 months prior to the date of this Prospectus.

<b>Date</b>	<b>Type of Securities</b>	<b>Number of Securities</b>	<b>Issue/Exercise Price Per Security</b>
November 28, 2019	Finder's Units	49,980	\$0.35
November 28, 2019	Finder's Warrants	115,177	\$0.45
November 28, 2019	Special Warrants	3,047,647	\$0.35
October 30, 2019	Options	5,900,000	\$0.31
October 23, 2019	Finder's Warrants	2,800	\$0.40
October 23, 2019	Special Warrants	4,242,104	\$0.25
September 16, 2019	Options	50,000	\$0.25
September 4, 2019	Common Shares	728,059 <sup>(1)</sup>	\$0.235
March 22, 2019	Options	1,828,418	\$0.19
March 22, 2019	Restricted Share Units	728,059	N/A
February 7, 2019	Options	25,000	\$0.16

Notes:

(1) Pursuant to the vesting of the 728,059 RSUs issued on March 22, 2019.

### **TRADING PRICE AND VOLUME**

The following table sets forth the particulars of the trading of the Common Shares of the Company on the TSXV during the 12 months prior to the date of this Prospectus.

	Price Range and Trading Volume		
	High (\$)	Low (\$)	Volume
February 1 – February 19, 2020	0.64	0.47	3,964,766
January 2020	0.65	0.45	5,690,496
December 2019	0.46	0.39	5,229,840
November 2019	0.54	0.36	12,012,900
October 2019	0.50	0.17	5,929,100
September 2019	0.28	0.225	1,156,700
August 2019	0.29	0.14	2,254,600
July 2019	0.195	0.155	334,300
June 2019	0.175	0.145	677,700
May 2019	0.20	0.16	1,097,900
April 2019	0.22	0.185	873,000
March 2019	0.205	0.18	482,500
February 2019	0.195	0.15	772,500
January 2019	0.17	0.145	1,252,600
December 2018	0.175	0.13	782,600

## RISK FACTORS

The Securities are subject to certain risks. When evaluating the Company and its business, potential holders of the Securities should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed in the applicable Prospectus Supplement and under the heading "**Risk Factors**" in the Prospectus, which are incorporated by reference herein. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement. Some of the risk factors described herein and in the documents incorporated by reference are interrelated and consequently prospective investors should treat such risk factors as a whole. The risks described below and in the Prospectus are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. We cannot assure you that we will successfully address any or all of these risks. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or in the Prospectus actually occur, the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the Prospectus and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

### **A positive return on Securities is not guaranteed.**

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

**The Company has broad discretion to use the net proceeds from an offering.**

The Company intends to use the net proceeds raised under this Prospectus to achieve its stated business objectives as set forth under "Use of Proceeds" under this Prospectus and any applicable Prospectus Supplement. The Company maintains broad discretion to spend the proceeds in ways that it deems most efficient as well as the timing of expenditures. As a result, investors will be relying on the judgment of management as to the application of the remaining proceeds of an offering. Management may use the remaining proceeds of an offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the remaining proceeds are uncertain. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under "Use of Proceeds", or the failure of the Company to achieve its stated business objectives set forth in such section, could adversely affect the Company's business, financial condition and / or operating results and, consequently, could adversely affect the price of the Common Shares on the open market.

**The Company may sell or issue additional Common Shares or other Securities resulting in dilution.**

The Company may sell additional Common Shares or other Securities that are convertible or exchangeable into Common Shares in subsequent offerings or may issue additional Common Shares or other Securities to finance future acquisitions. The Company cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares or other Securities that are convertible or exchangeable into Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares or other Securities that are convertible or exchangeable into Common Shares, investors will suffer dilution to their voting power and economic interest in the Company. Furthermore, to the extent holders of the Company's stock options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares on the TSXV may decrease due to the additional amount of Common Shares available in the market.

**There is no assurance of a sufficient liquid trading market for the Company's Common Shares in the future.**

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSXV or achieve listing on any other public listing exchange.

**There is currently no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold.**

There is currently no market through which the Securities, other than the Common Shares, may be sold and, unless otherwise specified in the applicable Prospectus Supplement, our Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities or stock exchange. As a consequence, purchasers may not be able to resell Preferred

Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Securities, other than the Common Shares, will develop or, if developed, that any such market, including for the Common Shares, will be sustained.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are RSM Canada LLP located at 11 King Street West, Suite 700 Toronto, ON M5H 4C7. RSM Canada LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The transfer agent and registrar in respect of the Common Shares and the warrant agent for the Warrants is TSX Trust located at 100 Adelaide St W #301, Toronto, ON M5H 1S3.

### **LEGAL MATTERS**

Certain legal matters related to our securities offered by this Prospectus will be passed upon on our behalf by DLA Piper, with respect to matters of Canadian law. To the knowledge of the Company, DLA Piper does not have any beneficial interest, direct or indirect, in the securities of the Company or any of its subsidiaries or in the assets of the Company or any of its subsidiaries.

### **STATUTORY RIGHT OF RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, 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 or is not delivered to the purchaser, 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. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against the Company following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. The contractual right of rescission will be further described in any applicable Prospectus Supplement but will entitle, in general, such original purchasers to receive, upon surrender of the securities issued upon conversion, exchange or exercise of such Securities (including any additional amount paid on conversion, exchange or exercise), the amount paid for such Securities, provided that (i) the conversion, exchange or exercise takes place within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement and (ii) the right of rescission is exercised within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory

right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) or otherwise by law.

Original purchasers of convertible, exchangeable or exercisable Securities are further cautioned that in an offering of convertible, exchangeable or exercisable Securities, the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain provinces, limited to the price at which the convertible, exchangeable or exercisable Security was offered to the public under the prospectus offering. Accordingly, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the security, such additional amounts may not be recoverable in a statutory action for damages in such provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

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## CERTIFICATE OF THE COMPANY

Date: February 20, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in each of the provinces of British Columbia, Alberta and Ontario.

“Ashish Malik”

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Ashish Malik  
Chief Executive Officer

“Kyle Appleby”

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Kyle Appleby  
Chief Financial Officer

On Behalf of the Board of Directors:

“Jim Molyneux”

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Jim Molyneux  
Director

“Claude Flueckiger”

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Claude Flueckiger  
Director