

*This short form prospectus is a base shelf prospectus. This short form prospectus has been filed under legislation in each of the provinces and territories of Canada, 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, except in cases where an exemption from such delivery requirement is available.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form 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 in the United States (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".*

*Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.*

*Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Zinc8 Energy Solutions Inc. at #1-8765 Ash Street, Vancouver, British Columbia V6P 6T3, telephone 604-366-5918, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

February 7, 2023



**ZINC8 ENERGY SOLUTIONS INC.**

**\$60,000,000**

Common Shares  
Preferred Shares  
Warrants  
Subscription Receipts  
Units  
Debt Securities

This short form base shelf prospectus ("**Prospectus**") relates to the offering for sale by Zinc8 Energy Solutions Inc. (the "**Company**", "**Zinc8**", "**we**" or "**our**") from time to time, during the 25-month period that this Prospectus, including any amendments hereto, remains effective, of the following securities of the Company in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to \$60,000,000: (i) common shares in the capital of the Company ("**Common Shares**"); (ii) preferred shares of the Company of any series ("**Preferred Shares**"); (iii) warrants ("**Warrants**") to purchase other Securities (as defined below) of the Company; (iv) subscription receipts ("**Subscription Receipts**"); (v) units ("**Units**") comprising of one or more of the other Securities; and (vi) debt securities (the "**Debt Securities**" and together with the Common Shares, Warrants, Subscription Receipts, and Units, collectively referred to herein as the "**Securities**"). The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**").

In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and the assumption of liabilities.

The Common Shares are listed for trading on the Canadian Securities Exchange (the “CSE”) under the trading symbol “ZAIR”, on the OTC Market under “ZAIRF” and on the Frankfurt Stock Exchange under the symbol “OE9”. Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement. On February 6, 2023, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the CSE was \$0.19.

**Unless otherwise specified in an applicable Prospectus Supplement, the Preferred Shares, the Debt Securities, Subscription Receipts, Units and Warrants will not be listed on any securities or stock exchange or on any automated dealer quotation system. There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities 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 the Securities and the extent of issuer regulation. See “Risk Factors”.**

**Acquiring the Securities may subject prospective investors to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.**

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

**The Company is not making and will not make an offer of these Securities in any jurisdiction where the offer or sale is not permitted. This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdiction.**

All applicable information permitted under securities legislation to be omitted from this Prospectus that has been so omitted will be contained in one or more Prospectus Supplements that will, except in respect of any sales pursuant to an “at-the-market” distribution (“ATM Distribution”) as contemplated by National Instrument 44-102 – *Shelf Distributions* (“NI 44-102”), 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. You should read this Prospectus and any applicable Prospectus Supplement carefully before you invest in any securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us. A Prospectus Supplement will set out the names of any underwriters, dealers or agents involved in the sale of Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the net proceeds we expect to receive from the sale of such securities, if any, the amounts and prices at which such Securities are sold and the compensation of such underwriters, dealers or agents. See “Plan of Distribution”.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at

prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. This Prospectus may qualify an ATM Distribution as contemplated by NI 44-102. However, there may be market-based limitations affecting how much the Company may raise under an ATM Distribution based on the Company's historical trading activity. The Company has not engaged any investment dealer in respect of an ATM Distribution, and there is a possibility that the Company may not establish an ATM Distribution at all. In connection with any offering of Securities, other than in relation to an ATM Distribution, the underwriters, dealers, or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted, or discontinued at any time. See "*Plan of Distribution*".

**Investment in the Securities being offered is highly speculative and involves significant risks that Prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading "*Cautionary Note Regarding Forward-Looking and Other Statements*" and consider such risks and information in connection with an investment in the Securities. See "*Risk Factors*" for a more complete discussion of these risks.**

The specific terms of any Securities offered will be described in a Prospectus Supplement, including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Preferred Shares, the number of Preferred Shares offered, the offering price (in the event the offering is a fixed price distribution) and the special rights and restrictions attached to the Preferred Shares; (iii) in the case of Warrants, the number of Warrants being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other specific terms; (iv) in the case of Units, the number of Units offered, the offering price, the designation, number and terms of the other Securities comprising the Units, and any other specific terms; (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other specific terms; and (vi) in the case of Debt Securities, the designation of the Debt Securities, 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, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, the nature and priority of any security for the Debt Securities, 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, 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, any arrangements with the trustee for the Debt Securities and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Investors should rely only on the information contained in or incorporated by reference into this Prospectus and any applicable Prospectus Supplement. We have not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this Prospectus (including any applicable Prospectus Supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. Investors should not assume that the information contained in this Prospectus is accurate as of any date other

than the date on the face page of this Prospectus, the date of any applicable Prospectus Supplement or the date of any documents incorporated by reference herein.

The Company's head office is located at 1 – 8765 Ash Street, Vancouver, British Columbia V6P 6T3. The Company's registered and records office is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

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## ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. References to this “Prospectus” include documents incorporated by reference herein. The Company has not authorized anyone to provide any information that is different. The information in or incorporated by reference into this Prospectus is current only as of the date of this Prospectus or the date on the front of such other documents. It should not be assumed that the information contained in this Prospectus is accurate as of any other date. The Company is not making an offer of these Securities in any jurisdiction where the offer is not permitted by law.

Before purchasing any Securities, prospective investors should carefully read both this Prospectus and any accompany Prospectus Supplement prepared by the Company, together with any additional information described under the heading “*Documents Incorporated by Reference*”.

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 the “Company”, refer to Zinc8 Energy Solutions Inc. together, where context requires, with its subsidiaries and affiliates. The term “management” in this Prospectus means those persons acting, from time to time, in the capacities of executive officers of the Company. Any statements in this Prospectus made by or on behalf of management are made in such persons’ capacities as officers of the Company and not in their personal capacities.

The Company may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate amount of \$60,000,000. This Prospectus provides a general description of the Securities that the Company may offer. All 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 those Securities to which the Prospectus Supplement permits.

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, all dollar amounts are in Canadian dollars.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS

Certain statements and other information contained or incorporated by reference in this Prospectus constitute forward-looking information under Canadian securities legislation (collectively, “**forward-looking statements**”) including, without limitation, statements containing the words “believe,” “may,” “plan,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “project,” “potential,” “continue,” “ongoing” or the negative or grammatical variations of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by the Company in light of the Company’s experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Such forward-looking statements include, but are not limited to:

- the Company’s ability to maintain the listing of the Common Shares on the CSE;
- the Company’s strategy and intention to grow the business;
- the Company’s ability to obtain future funding;
- the Company’s expected expenditures and accumulated deficit level;
- the Company’s intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the liquidity and market price of the Common Shares;

- the success of research and development activities;
- the Company's new and existing technology;
- the Company's ability to obtain necessary financing;
- the Company's ability to meet its obligations as they become due;
- the Company's ability to execute the development and commercialization of a dependable low-cost zinc-air battery;
- the Company's ability to begin commercial production and sales by 2024;
- the Company's ability to sell its products in North America;
- the Company's ability to expand internationally;
- the Company's mass storage system's ability to offer environmental and efficiency benefits;
- the Company's ability to meet the needs for secure and reliable power;
- the Company's ability to complete the construction of the testing substations;
- the Company's ability to establish a production facility in the US;
- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- expectations regarding the performance of critical suppliers and service providers;
- forecasts of expenditures;
- expectations regarding our ability to raise capital;
- business outlook;
- plans and objectives of management for future operations;
- anticipated financial performance;
- litigation risks;
- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders ("**Shareholders**") sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- projections of market prices and costs;
- the impact of the COVID-19 pandemic and the ongoing dispute between the sovereign state of Ukraine and Russia on the business and operations of the Company;
- the Company's ability to identify, attract, hire, train, motivate and retain personnel;
- stock market volatility;
- anticipated costs and ability to achieve goals;
- the Company's competitive position and its expectations regarding competition; and
- anticipated trends and challenges in the Company's business and the markets in which it operates.

The actual results, performance or achievements of the Company could differ materially from those anticipated in the Forward-Looking Statements as a result of the risk factors set forth below and under the heading "Risk Factors", including, but not limited to, risks related to:

- the Company's limited operating history;
- the Company has no history of earnings;
- the Company has negative cash flow;
- the ability to raise additional funds on terms that are favorable to the Company or at all;
- development risks;
- operation and supplier risk;
- dependence on government funding;
- the results of early testing of the Company's products;
- the technology may not operate as expected;
- the technology may prove to be too expensive to implement broadly;

- market acceptance of the Company's products;
- competitors may develop better products, quicker and at a lower cost than the Company;
- the Company's patents may not provide protection as expected;
- the Company's may not establish a production facility in the US;
- the Company may not begin commercial production and sales by 2024;
- the Company may not expand internationally;
- alternative battery technology is an emerging market and a major market may not develop;
- product liability;
- dependence on key personnel;
- the competitive market for the Company's products and services;
- manufacturing cost targets;
- protection of our intellectual property;
- government regulation;
- risks of foreign exchange rate fluctuation;
- legal proceedings;
- the impact of the COVID-19 coronavirus outbreak;
- the impact of the ongoing dispute between Ukraine and Russia;
- the Company's ability to continue as a going concern;
- dilution to the current and future Shareholders;
- the Company has never paid cash dividends on any of its share capital;
- certain Shareholders may have the ability to influence the Company;
- volatility in capital markets; and
- other risks and unforeseen eventualities for which the Company is uninsured or for which insurance is unavailable.

Readers are cautioned that these factors are difficult to predict and that the assumptions used in developing the Forward-Looking Statements may prove to be incorrect. Readers are also cautioned that the list of risk factors contained in this Prospectus or the documents incorporated by reference herein is not exhaustive. Accordingly, readers are cautioned that the Company's actual results may vary from the Forward-Looking Statements, and the variations may be material.

Additional information on these and other factors is provided under the heading "*Risk Factors*" in this Prospectus and in the documents incorporated by reference herein including in the 2021 MD&A (as defined herein) under the heading "*Risk Factors*" and in the 2021 AIF (as defined herein) under the heading "*Risk Factors*", as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in this Prospectus.

Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this Prospectus and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

## **MARKET AND INDUSTRY DATA**

Market and industry data presented in this Prospectus was obtained from third party sources, industry reports, journals, studies and publications, websites and other publicly available information, as well as industry and other data prepared by the Company or on the Company's behalf on the basis of our knowledge of the cryptocurrency industry, markets and economies (including our opinions, estimates and assumptions relating to such industry, markets and economies based on that knowledge). We believe that these sources are generally reliable, but the



accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information. Actual outcomes may vary materially from those forecasted in such reports or publications, and the likelihood for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying industry, market, economic and other assumptions relied upon by such sources. Industry, market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada.**

Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Company at 1 – 8765 Ash Street, Vancouver, British Columbia V6P 6T3, telephone 604-366-5918, and are also available electronically at [www.sedar.com](http://www.sedar.com).

As of the date hereof, the following documents of the Company, filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada are specifically incorporated by reference into, and form an integral part of, this Prospectus provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in the Prospectus, as further described below:

- the management information circular dated November 2, 2022 in respect of the Company's annual general and special meeting of shareholders held on December 8, 2022;
- the Company's annual information form for the year ended December 31, 2021, dated as at October 4, 2022 and filed on October 4, 2022 (the "**2021 AIF**");
- the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, filed on November 29, 2022, together with the notes thereto;
- the Company's management's discussion and analysis for the three and nine months ended September 30, 2022, filed on November 29, 2022;
- the Company's audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 and the notes thereto and the independent auditor's report thereon, filed on May 2, 2022 (the "**Annual Financial Statements**");
- the Company's annual management's discussion and analysis for the year ended December 31, 2021, dated as at April 29, 2022 and filed on May 2, 2022 (the "**2021 MD&A**"); and
- the Company's material change reports dated:
  - April 12, 2022 with respect to the Company appointing Bernard Pinsky to its board of directors;
  - May 30, 2022 with respect to the Company issuing restricted share units ("**RSUs**") to certain directors, officers and employees of the Company;
  - June 7, 2022 with respect to the Company appointing Storm Boswick to its board of directors;
  - August 18, 2022 with respect to the Company issuing RSUs and deferred share units ("**DSUs**") to certain directors of the Company;

- October 5, 2022 with respect to the resignation of Tom Hodgson from the board of directors of the Company, the grant of RSUs to certain executive and non-executive employees and the Company entering into an agreement with OGIB Corporate Bulletin for the provision of various corporate communications;
- December 29, 2022 with respect to the Company completing a non-brokered private placement of Units for gross proceeds of \$2,824,700;
- January 12, 2023 with respect to the Company receiving funding support in advance of its Zinc-Air Stack Technology and the issuing of RSUs to certain executive and non-executive employees; and
- February 2, 2023 with respect to the Company receiving approval for a grant from the Empire State Development of up to US\$9 million in performance-based tax credits to incentivize the Company establish its first US-based production facility in New York State.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators to be incorporated by reference in this Prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.

**A Prospectus Supplement containing the specific terms of any offering of the Securities will be delivered to purchasers of the 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 the Securities to which that Prospectus Supplement pertains.**

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such a statement. 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 that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission 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 was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Rather only such statements as so modified or superseded shall be considered to constitute part of this Prospectus.**

Upon the Company's filing of a new annual information form and the related annual financial statements and management's discussion and analysis with applicable securities regulatory authorities during the duration of this Prospectus, the previous annual information form, the previous annual financial statements and management's discussion and analysis and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of the Securities under this Prospectus.

Upon interim consolidated financial statements and the accompanying management's discussion and analysis and material change report being filed by the Company with the applicable securities regulatory authorities during the duration of this Prospectus, all interim consolidated financial statements and the accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of securities under this Prospectus. In addition, upon a new annual information form being filed by the Company with the applicable securities

regulatory authorities during the term of this Prospectus for which the related annual comparative consolidated financial statements include at least nine months of financial results of an acquired business for which a business acquisition report was filed by the Company and incorporated by reference into this Prospectus, such a business acquisition report shall no longer be deemed to be incorporated into this Prospectus for the purpose of future offers and sales of the Securities hereunder.

References to the Company’s website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on the Company’s website into this Prospectus, and we disclaim any such incorporation by reference.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any “template version” of “marketing materials” (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

## ABOUT THE COMPANY

***The following description of the Company is, in some instances, derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its business that Prospective investors should consider before investing in any Securities. Prospective investors should carefully read the entire Prospectus and the applicable Prospectus Supplement, including under the heading “Risk Factors”, as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision.***

### General

The Company was incorporated under the *Business Corporations Act* (Business Columbia) on December 8, 2011 under the name “ZincNyx Energy Solutions Inc.” and on November 1, 2018, the Company changed its name to “MGX Renewables Inc.”. On March 20, 2020, the Company changed its name to “Zinc8 Energy Solutions Inc.”.

The Company’s head office is located at 1 – 8765 Ash Street, Vancouver, British Columbia V6P 6T3. The Company’s registered and records office is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

The Company is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario. The Common Shares are listed under the symbol “ZAIR” on the CSE.

### Corporate Structure

As of the date of the Prospectus, the Company has one wholly-owned subsidiary:

Subsidiary	Jurisdiction of Incorporation	Ownership Percentage	Direct or Indirect Ownership
Zinc8 Energy Solutions (USA) Inc.	New York	100%	Direct

### Summary Description of the Business

The Company focuses on the development and commercialization of a dependable, low cost, zinc-air battery. The Company believes that this mass storage system will offer both environmental and economic benefits.

The Company's Zinc-Air Energy Storage System (the "**Zinc-Air System**") technology has been developed around the utilization of zinc as the anode fuel, which is expected to offer numerous advantages over other forms of metals due to its unique attributes, which include high energy density, abundant availability, low cost, and ease of storage and handling. The regenerative system does not require fuel replacement and offers scalable energy capacity through the simple introduction of additional fuel tanks.

The Zinc8 ESS is a modular Energy Storage System designed to deliver power in the range 20kW - 50MW with capacity of 8 hours of storage duration or higher. With the advantage of rechargeable zinc-air flow battery technology, the system can be configured to support a wide range of long-duration applications for microgrids and utilities. The energy storage capacity of the system is determined by the size of the zinc storage tank, is cost-effective and scalable and provides as an alternative to the fixed power/energy ratio of the lithium-ion battery.



The Company's zinc-air technology consists of three major components: the fuel tank where zinc particles and a potassium hydroxide (KOH) electrolyte are stored; the cell stack where the fuel is converted to electrical power; and the regenerator unit where the electrical power is converted back to fuel. In operation, electrical energy from a source is used to convert zinc oxide to zinc metal in the regenerator unit. The zinc "fuel" thus created is stored in the fuel tank until required. When stored energy is to be released, the zinc fuel is pumped into the cell stack where it reacts with atmospheric oxygen to produce electricity.

The Zinc8 ESS is based upon unique patented zinc-air battery technology. Energy is stored in the form of zinc particles, similar in size to grains of sand. When the system is delivering power, the zinc particles are combined with oxygen drawn from the surrounding air. When the system is recharging, zinc particles are regenerated, and oxygen is returned to the surrounding air.

The flexibility of the Zinc8 ESS enables it to service a wide range of applications. Typical examples include:

- Smoothing energy derived from renewable sources such as wind and solar;
- Commercial/Industrial backup replacing diesel generators;
- Industrial and grid scale, on-demand power for peak shaving and standby reserves; and

- Grid-scale services such as alleviating grid congestion, deferring transmission/distribution upgrades, energy trading and arbitrage, and increasing renewable energy penetration.

The Zinc8 ESS is designed according to a modular architecture that enables a wide variety of system configurations to be created from a small number of common subsystems. Each subsystem implements a single element of the technology. The Zinc Regeneration Subsystem (ZRS) provides the recharging function, the Fuel Storage Subsystem (FSS) provides the energy storage function and the Power Generation Subsystem (PGS) provides the discharging function.

The 20kW/160kWh modules represent a four-times increase in both energy and power as compared to its current 5kW systems. The 20kW system is expected to retain all attributes of the Company's existing 5kW systems, while providing additional benefits, including lower costs and higher energy density along with adaptability for new applications beyond mass energy storage. The containerized system may be scaled to megawatt storage and output capacities. To date, Zinc8 has been awarded twelve patents covering its mass storage technology, and four patents under review.

The Company has not yet achieved commercial production of its products and has not yet generated revenue from sales. The Company currently projects to begin commercial production and sales by 2024. The Company plans to sell its products primarily in North America until 2027 and expand internationally after that date.

The Company plans to sell the Zinc-Air System under long-term sales agreements or to enter into joint ventures and other business relationships in order to generate revenue. Zinc8 believes that such relationships will allow it to efficiently deploy working capital by minimizing the Company's carried product and inventory.

Further information regarding the business of the Company or its operations can be found in the 2021 AIF and the other materials incorporated by reference herein. See "*Documents Incorporated by Reference*".

## RISK FACTORS

**An investment in the Company's securities is speculative and involves a high degree of risk. In addition to the other information included or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, you should carefully consider the risks and uncertainties described in the documents incorporated by reference in this Prospectus and any applicable Prospectus Supplement, together with all of the other information contained in this Prospectus, before purchasing the Company's securities. The occurrence of any of such risks could have a material adverse effect on our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our securities, including the Common Shares, could decline, and you may lose all or part of your investment. The risks described herein are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. Investors should also refer to the other information set forth or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, including our consolidated financial statements and related notes. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described herein. See "*Cautionary Note Regarding Forward-Looking and Other Statements*".**

**In particular, you should carefully consider the risks described under the Company's 2021 AIF under the heading "*Risk Factors*", and other publicly filed documents which are incorporated herein by reference, as well as the risk factors described under the heading "*Risk Factors*" in any applicable Prospectus Supplement. See "*Documents Incorporated by Reference*".**

## **Risks Related to the Offering of Securities**

### Market price of Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

### Absence of a public market for some of the Securities

There is no public market for the Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of the Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units on any securities exchanges. If the Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market for the Preferred Shares, Debt Securities, Warrants, Subscription Receipts, or Units, or that a trading market for these Securities will develop at all.

### Future sales of issuance of debt or equity Securities

Given the Company's plans and expectations that additional capital and personnel will be needed, the Company may need to issue additional debt or equity securities. The Company cannot predict the size of future sales and issuances of debt or equity Securities or the effect, if any, that future sales and issuances of debt or equity Securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity Securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity Securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share.

### Discretion over use of proceeds

The Company intends to allocate the net proceeds it will receive from an offering as described under "Use of Proceeds" in this Prospectus and the applicable Prospectus Supplement. However, the Company will have broad discretion over the use of the net proceeds from an offering by the Company of the Securities. Because of the number and variability of factors that will determine the Company's use of such proceeds, the Company's ultimate use might vary substantially from its planned use. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company. Investors may not agree with how the

Company allocates or spends the proceeds from an offering of the Securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Securities, including the market value of the Common Shares, and that may increase its losses.

#### Liquidity

Shareholders 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 Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the CSE or other public listing exchanges.

#### Unsecured Debt Securities

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct unsecured obligations of the Company. As a result, in the event that the Company defaults in payment of the Debt Securities, investors in the Debt Securities could receive no compensation and lose all or some of their investment.

In addition, the Debt Securities could be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and ratably 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 ratably 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. If the Debt Securities are subordinated indebtedness and the Company defaults in payment of its obligations, investors in the Debt Securities will be paid following payment of senior indebtedness or secured obligations. An investor could lose all or some of their investment.

#### Effect of changes in interest rates on Debt Securities

Prevailing interest rates will affect the market price or value of any Debt Securities. The market price or value of any Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

#### Effect of fluctuations in foreign currency markets on Debt Securities

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable Prospectus Supplement.

#### Trading price of Common Shares and volatility

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced large fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur with respect to the Common Shares. The trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired their Common Shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of

the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their Securities at or above their acquisition cost.

#### History of negative cash flows

The Company has a history of negative cash flow from operating activities. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

### **USE OF PROCEEDS**

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Among other potential uses, the Company may use the net proceeds from the sale of Securities for operational costs relating to its business and for general corporate and working capital purposes.

The management of the Company will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on its operating and capital needs from time to time.

We may also, from time to time, decide to issue Securities otherwise than pursuant to a Prospectus Supplement to this Prospectus. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such Securities, unless otherwise stated in the applicable Prospectus Supplement.

For the nine-month period ended September 30, 2022, the Company recorded losses, negative cash flow from operations and an accumulated deficit. The Company's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In addition to other uses of net proceeds to be specified in a Prospectus Supplement, to the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

The Company had negative cash flow from operating activities of \$7,600,168 for the year ended December 31, 2021 and \$5,510,249 for the nine months period ended September 30, 2022. In addition to other uses of net proceeds described herein and to be specified in a Prospectus Supplement, the net proceeds from sales of securities may also be used to fund anticipated negative cash flow from operating activities in future periods.

### **CONSOLIDATED CAPITALIZATION**

Since September 30, 2022, the date of our financial statements for the most recently completed financial period, there have been no material changes in our consolidated share or debt capital, other than:

- on October 5, 2022, 987,500 Common Shares issued upon the vesting of certain RSUs;
- on October 24, 2022, 322,419 Common Shares issued upon the vesting of certain DSUs;
- on November 28, 2022, 1,212,500 Common Shares issued upon the vesting of certain RSUs;



- on December 22, 2022, 14,123,500 Common Shares issued pursuant to a non-brokered private placement of Units with each Unit being comprised of one Common Share and one Warrant; and
- on January 5, 2023, 1,180,834 Common Shares issued upon the vesting of certain RSUs.

### **PRIOR SALES**

Information in respect of prior sales of the Common Shares or other Securities distributed under this Prospectus and for securities that are convertible or exchangeable into the Common Shares or such other Securities within the previous 12-month period will be provided, as required, in a Prospectus Supplement with respect to the issuance of the Common Shares or other Securities pursuant to such Prospectus Supplement.

### **TRADING PRICE AND VOLUME**

The Common Shares are listed for trading on the CSE under the trading symbol “ZAIR”, on the OTC Market under “ZAIRF” and on the Frankfurt Stock Exchange under the symbol “0E9”. Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement.

### **EARNINGS COVERAGE**

The applicable Prospectus Supplement will include, as required, earnings coverage ratios with respect to the issuance of such Securities pursuant to such Prospectus Supplement.

### **DESCRIPTION OF SECURITIES**

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

#### **Common Shares**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. The rights, privileges and restrictions on the Common Shares are contained in the articles of the Company, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). As of the date hereof, there are 179,094,151 Common Shares issued and outstanding.

Each Common Share entitles the holder to receive notice of and attend all meetings of the Shareholders. Each Common Share carries the right to one vote. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the board of directors of the Company, in its discretion. In the event of the liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of Common Shares are also entitled to participate, rateably, in the distribution of the assets of the Company, subject to the rights of the holders of any other class of shares ranking in priority to the Common Shares. Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, the holders of the Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares.

#### **Preferred Shares**

The authorized capital of the Company consists of an unlimited number of Preferred Shares without par value which may be issued in one or more series. The board of directors of the Company may determine by resolution

the designation, rights and restrictions attaching to each series of preferred shares as well as the number to be issued. The terms determined by the board of directors of the Company include dividends and dividend payments, conversion features, redemption features, voting rights, retraction rights and transfer restrictions.

The holders of the preferred shares shall be entitled to receive dividends as and when declared by the board of directors of the Company from time to time out of monies of the Company properly applicable to the payment of dividends and the amount per share of each such dividend shall be determined by the directors of the Company at the time of declaration. Dividends may be declared and paid on the preferred shares to the exclusion of any other class or classes of shares entitled to dividends.

In the event of the liquidation, dissolution or winding up of the Company or other distribution of its assets among the Shareholders by way of repayment capital, whether voluntary or involuntary, the holders of the preferred shares shall be entitled to receive, before any distribution of any assets of the Company among the holders of any other class of shares, an amount per share equal to the amount stated in the special rights and restrictions relating to the preferred shares to be the priority amount for such shares in the case of a liquidation, dissolution or winding up, together with all dividends declared thereon and unpaid.

### **Description of Debt Securities**

In this section describing the Debt Securities, the terms “Company” and “Zinc8” refer only to Zinc8 Energy Solutions Inc. without any of its subsidiaries.

The following is a brief summary of certain general terms and provisions of the Debt Securities that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Debt Securities as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Debt Securities, 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. The following description is subject to the detailed provisions of the applicable Trust Indenture (defined herein). Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically through SEDAR at [www.sedar.com](http://www.sedar.com).

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this Prospectus. Convertible Debt Securities offered under this Prospectus and any Prospectus Supplement may only be convertible into other securities of the Company.

The Company will deliver, along with this Prospectus, an undertaking to the applicable securities regulatory authorities that the Company will, if any Debt Securities are distributed under this Prospectus and for so long as such Debt Securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1.

Any Prospectus Supplement offering guaranteed Debt Securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of National Instrument 41-101 – *General Prospectus Requirements*.

The Debt Securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The applicable Trust Indenture will not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue Debt Securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the Debt Securities previously issued and to issue that increased principal amount.

Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the price or prices at which the Debt Securities will be issued;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;
- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay the principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deducting for Canadian tax purposes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency Units for which Debt Securities may be purchased and the currency or currency Units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;

- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the Debt Securities will be issued as Global Securities (defined herein) and, if so, the identity of the Depository (defined herein) for the global securities;
- whether the Debt Securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency Units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other securities of the Company;
- if applicable, any transfer restrictions in respect of Disqualified Holders, as defined in securities laws, or otherwise;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this Prospectus. 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.

Unless stated otherwise in the applicable Prospectus Supplement, no holder of Debt Securities will have the right to require the Company to repurchase the Debt Securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

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.

Unless otherwise indicated in the applicable Prospectus Supplement, the Company 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.

Original purchasers of Debt Securities which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such Debt Security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Debt Security and the amount paid upon conversion or exchange, upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct 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 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 the Company 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 the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any Security.

### **Registration of Debt Securities**

#### Debt Securities in Book Entry Form

Unless otherwise indicated in an applicable Prospectus Supplement, Debt Securities of any series may be issued in whole or in part in the form of one or more global securities ("**Global Securities**") registered in the name of a designated clearing agency (a "**Depository**") or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depositary arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will, to the extent not described herein, be described in the Prospectus Supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depositary arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee ("**Participants**"). Such accounts are

typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the Debt Securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Debt Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Debt Securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their respective names, will not receive or be entitled to receive physical delivery of such Debt Securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a Debt Security or otherwise take action with respect to such holder's interest in a Debt Security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for Debt Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to properly discharge its responsibilities as Depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the Debt Securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry Debt Securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debt 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 interests; or (iii) any advice or representation made by or with respect to the Depository and contained in this Prospectus or in any Prospectus Supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Participants.

Unless otherwise stated in the applicable Prospectus Supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any Debt Securities represented by a Global Security.

#### Debt Securities in Certificated Form

A series of the Debt Securities may be issued in definitive form, solely as registered Securities, solely as unregistered Securities or as both registered Securities and unregistered Securities. Unless otherwise indicated in the applicable Prospectus Supplement, unregistered Securities will have interest coupons attached.

In the event that the Debt Securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable Prospectus Supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable Prospectus Supplement, payment of interest, if any, will be made to the persons in whose name the Debt Securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of Debt Securities, registered Securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable Prospectus Supplement, unregistered Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such an event, unregistered Securities surrendered in a permitted exchange for registered Securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable Prospectus Supplement, unregistered Securities will not be issued in exchange for registered Securities. The applicable Prospectus Supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

#### **Description of Warrants**

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or Preferred Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants. This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant agreement and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Warrant agreement. Prospective investors should refer to the Warrant indenture or Warrant agency agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any Warrant indenture or Warrant agency agreement relating to an offering of Warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

We may issue Warrants independently or together with other securities, and Warrants sold with other Securities may be attached to or separate from the other Securities. Warrants will be issued under one or more Warrant agency agreements to be entered into by us and one or more banks or trust companies acting as Warrant agent. 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.

The Company will deliver an undertaking to the applicable securities regulatory authorities that it will not distribute Warrants that, according to their terms as described in the applicable Prospectus Supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities where the Warrants will be distributed.

The applicable Prospectus Supplement relating to any Warrants that we offer will describe the particular terms of those Warrants and include specific terms relating to the offering.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the exercise of such Warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the Warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the Securities Act (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the Securities Act (British Columbia) or otherwise at law.

In an offering of Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible securities, are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights, or consult with a legal advisor.

### **Equity Warrants**

The particular terms of each issue of equity Warrants will be described in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of equity Warrants;
- the price at which the equity Warrants will be offered;
- the currency or currencies in which the equity Warrants will be offered;
- the date on which the right to exercise the equity Warrants will commence and the date on which the right will expire;
- the number of Common Shares or Preferred Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares or Preferred Shares may be purchased upon exercise of each equity Warrant;



- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity Warrants;
- whether the Company will issue fractional Common Shares;
- whether the Company has applied to list the equity Warrants or the underlying Common Shares on a stock exchange;
- the designation and terms of any securities with which the equity Warrants will be offered, if any, and the number of the equity Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the equity Warrants and the related Securities will be transferable separately;
- whether the equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity Warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity Warrants; and
- any other material terms or conditions of the equity Warrants.

#### **Debt Warrants**

The particular terms of each issue of debt Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of debt Warrants;
- the price at which the debt Warrants will be offered;
- the currency or currencies in which the debt Warrants will be offered;
- the designation and terms of any securities with which the debt Warrants are being offered, if any, and the number of the debt Warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt Warrants and the related securities will be transferable separately;
- the principal amount and designation of Debt Securities that may be purchased upon exercise of each debt Warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each debt Warrant;
- the date on which the right to exercise the debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt Warrants that may be exercised at any one time;
- whether the debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt Warrants;
- whether we have applied to list the debt Warrants or the underlying Debt Securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

## Description of Units

The Company may issue Units, which may consist of one or more of Common Shares, Preferred Shares, Warrants or any other Security specified in the relevant Prospectus Supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the Securities included in the Unit. In addition, the relevant Prospectus Supplement relating to an offering of Units will describe all material terms of any Units offered, including, as applicable:

- the designation and aggregate number of Units being offered;
- the price at which the Units will be offered;
- the designation, number and terms of the securities comprising the Units and any agreement governing the Units;
- the date or dates, if any, on or after which the securities comprising the Units will be transferable separately;
- whether we will apply to list the Units or any of the individual securities comprising the Units on any exchange;
- material Canadian income tax consequences of owning the Units, including, how the purchase price paid for the Units will be allocated among the securities comprising the Units; and
- any other material terms or conditions of the Units.

## Description of Subscription Receipts

The Company may issue Subscription Receipts separately or in combination with one or more other Securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the “**Release Conditions**”) and for no additional consideration, Common Shares, Preferred Shares, Warrants, Debt Securities or any combination thereof. Subscription Receipts will be issued pursuant to one or more Subscription Receipt agreement (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable Prospectus Supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant Prospectus Supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and 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.

The following is a brief summary of certain general terms and provisions of the Subscription Receipts that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Subscription Receipts as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Subscription Receipts, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts will be described in the applicable Prospectus Supplement.

The Prospectus Supplement and the Subscription Receipt Agreement for any Subscription Receipts that we may offer will describe the specific terms of the Subscription Receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;

- the designation, number and terms of the Common Shares, Preferred Shares, Warrants and/or Debt Securities to be received by the holders of Subscription Receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of Subscription Receipts to receive, for no additional consideration, the Common Shares, Preferred Shares, Warrants and/or Debt Securities;
- the procedures for the issuance and delivery of the Common Shares, Warrants and/or Debt Securities to holders of Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the Common Shares, Preferred Shares, Warrants and/or Debt Securities upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Common Shares, Preferred Shares, Warrants and/or Debt Securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- 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;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event that this Prospectus, the Prospectus Supplement under which such Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- whether we will issue the Subscription Receipts as Global Securities and, if so, the identity of the Depositary for the Global Securities;
- whether we will issue the Subscription Receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Preferred Shares, Warrants or other Securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company’s assets or any distribution of property or rights to all or substantially all of the holders of Common Shares or Preferred Shares;
- whether the Company will apply to list the Subscription Receipts on any exchange;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion of the Subscription Receipts. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Subscription Receipts upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the Subscription Receipts under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Subscription Receipts under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

#### Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions

The holders of Subscription Receipts will not be, and will not have the rights of, Shareholders. Holders of Subscription Receipts are entitled only to receive Common Shares, Preferred Shares, Warrants and/or Debt Securities upon exchange of their Subscription Receipts, plus any cash payments, if applicable, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price thereof and their pro-rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement.

#### 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 the Company (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 a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, Preferred Shares, Warrants and or Debt Securities may be held in escrow by the Escrow Agent and will be released to the holders of Subscription Receipts following satisfaction of the Release Conditions at the time and under the terms specified in 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 a 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 any 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 holders of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

### **DIVIDENDS**

No dividends on the Common Shares have been paid by the Company to date. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the

discretion of the board of directors of the Company, after taking into account a multitude of factors appropriate in the circumstances, including the Company's operating results, financial condition and current and anticipated cash needs.

## PLAN OF DISTRIBUTION

We may issue our 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 consideration for an acquisition of assets or shares of another entity or company may consist of any of the Securities covered hereby separately, a combination of such Securities, or any combination of, among other things, securities, cash or the assumption of liabilities.

Each Prospectus Supplement with respect to our securities being offered will set forth the terms of the offering, including:

- the person offering the Securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, our Securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

Our 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 price or at negotiated prices, including sales in transactions that are deemed to be ATM Distributions, including sales made directly on the CSE or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as 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 offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters 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 to the Company.

Only underwriters named in the Prospectus Supplement are deemed to be underwriters in connection with our securities offered by that Prospectus Supplement.

Under agreements which may be entered into by the Company, underwriters, dealers and agents who participate in the distribution of our Securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under applicable Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers and agents with whom we enter into agreements may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

No underwriter or dealer involved in an ATM Distribution, no affiliate of such underwriter or dealer and no person acting jointly or in concert with such underwriter or dealer has over-allotted, or will over allot, our securities in connection with an ATM Distribution of our securities or effect any other transactions that are intended to stabilize the market price of our securities during an ATM Distribution. In connection with any offering of our Securities other than in an ATM Distribution, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of our Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

## **EXEMPTIVE RELIEF**

Pursuant to a decision of the Autorité des marchés financiers dated October 18, 2022, the Company was granted a permanent exemption from the requirement under section 40.1 of the Securities Act (Québec) to translate into French this Prospectus, as well as the documents incorporated by reference herein, and any Prospectus Supplement to be filed in relation to an ATM Distribution. This exemption is granted on the condition that if the Company offers securities to Québec purchasers other than in relation to an ATM Distribution, this Prospectus and the documents incorporated by reference herein and the Prospectus Supplement in respect of such offering be translated into French.

## **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. 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.

## **EXPERTS**

The auditor of the Company is D&H Group LLP, Chartered Professional Accountants. D&H Group LLP provided an auditor's report on the Annual Financial Statements as at and for the year ended December 31, 2021, incorporated by reference into this Prospectus. D&H Group LLP is independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The former auditor of the Company, Adam Sung Kim Ltd., provided an auditor's report for the comparative period contained in the Annual Financial Statements incorporated by reference into this Prospectus. Adam Sung Kim Ltd. is independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

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

The auditor of the Company is D&H Group LLP with its offices at 10th Floor, 1333 West Broadway, Vancouver, B.C. V6H 4C1.

The transfer agent and registrar of the Company is Computershare Investor Services Inc. with its offices at 3rd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

## **PROMOTERS**

No person is, or has acted as, our promoter during the two years immediately preceding the date of this Prospectus.

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

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of securities under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the Prospectus, Prospectus Supplement, and any amendment relating to securities

purchased by such purchaser because the Prospectus, Prospectus Supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of securities distributed under an ATM Distribution by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the Prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

In an offering of Warrants, Preferred Shares, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the Prospectus or a Prospectus Supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

**CERTIFICATE OF ZINC8 ENERGY SOLUTIONS INC.**

Dated: February 7, 2023

This short form base shelf prospectus, together with the documents incorporated in this Prospectus by reference, will, as of the date of the last supplement to this Prospectus relating to the securities offered by this Prospectus and the supplement(s), constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

*"Ron MacDonald"*

**Ronald MacDonald**

Chief Executive Officer, President and Director

*"Sorin Spinu"*

**Sorin Spinu**

Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"David Hodge"*

**David Hodge**

Director

*"Gurcharn Deol"*

**Gurcharn Deol**

Director