

## **Base Shelf Prospectus**

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

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

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

*This amended and restated preliminary short form prospectus and preliminary short form prospectus is a base shelf prospectus. This amended and restated preliminary short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada and this preliminary short form base shelf prospectus has been filed under the legislation of Québec 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.*

*This preliminary and amended and restated preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this preliminary and amended and restated preliminary short form base shelf 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 Element Nutritional Sciences Inc. at 1100 Walkers Line, Suite 401, Burlington, Ontario, L7N 2G3 Canada (telephone: +1 (855) 348-1970), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## **PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS (for Québec)**

**AND**

## **AMENDED AND RESTATED PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS (amending and restating the preliminary short form base shelf prospectus dated May 20, 2022 for each of the provinces and territories of Canada, except Québec)**

New Issue

July 29, 2022



**ELEMENT NUTRITIONAL SCIENCES INC.**

**\$28,000,000**

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**Common Shares  
Warrants  
Subscription Receipts  
Units**

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This preliminary and amended and restated preliminary short form base shelf prospectus (the “**Prospectus**”) relates to the offering for sale from time to time (each, an “**Offering**”), during the 25-month period that this Prospectus, including any amendments hereto, remains effective, of the securities of Element Nutritional Sciences Inc. (“**Element**” or the “**Company**”) listed above (the “**Securities**”) in one or more series or issuances, with a total offering price of such Securities, in the aggregate, of up to \$28,000,000. 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**”).

The specific terms of the Securities with respect to a particular Offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered; the offering price; whether the Common Shares are being offered for cash or on exercise of Special Warrants (as defined below); and any other material terms or conditions of the Common Shares; (ii) in the case of warrants, the designation and aggregate number of warrants offered; the price at which the warrants will be offered; the date on which the right to exercise the warrants will commence and the date on which the right will expire; the number of Common Shares that may be purchased upon exercise of each warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each warrant; and any other material terms or conditions of the warrants; (iii) in the case of subscription receipts, the designation and aggregate number of subscription receipts offered; the price at which the subscription receipts will be offered; the designation, number and terms of the Common Shares, warrants, units, or any combination thereof to be received by holders of subscription receipts upon satisfaction of the release conditions, and the procedures that will result in the adjustment of those numbers; and any other material terms or conditions of the subscription receipts; and (iv) in the case of units, the designation and aggregate number of units being offered; the price at which the units will be offered; the designation and terms of the units and the applicable Securities included in the units; the description of the terms of any agreement governing the units; any provision for the issuance, payment, settlement, transfer, or exchange of the units; and any other material terms or conditions of the units. See “*Description of Securities Being Distributed*”.

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

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 those jurisdictions. The Company may offer and sell Securities to, or through, underwriters or dealers and may also offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the 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 (including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions* of the Canadian Securities Administrators), at prices determined by reference to the prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution.

In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities and other than an “at-the-market distribution” (as defined under applicable Canadian securities legislation), the underwriters may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. An investor who acquires Securities forming part of the underwriters’ over-allocation position will acquire those Securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or through secondary market purchases. No underwriter or dealer

involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer, and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The outstanding Common Shares are listed on the Canadian Securities Exchange (the “CSE”) under the symbol “ELMT”. The Common Shares also trade on the OTCQB in the United States under the symbol “ELNSF” and on the Frankfurt Stock Exchange under the symbol “93X”. **Unless otherwise specified in the applicable Prospectus Supplement, no Securities, other than Common Shares, will be listed on any securities exchange.**

Purchasers of the Securities should be aware that the acquisition of the Securities may have tax consequences both in the U.S. and in Canada. Such consequences for purchasers who are resident in, or citizens of, the U.S. or who are resident in Canada may not be described fully herein or in any applicable Prospectus Supplement. Purchasers of the Securities should read the tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities and consult their own tax advisors.

All dollar amounts in this Prospectus are expressed in Canadian dollars, except as otherwise indicated. References to “\$”, “C\$” or “dollars” are to Canadian dollars and references to “US\$” are to United States dollars.

No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.

**Investing in the Securities involves certain risks. Prospective purchasers of the Securities should carefully consider all the information in this Prospectus and in the documents incorporated by reference in this Prospectus. See “*Risk Factors*”**

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## ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference into this Prospectus and any Prospectus Supplement. Information contained on the Company's website shall not be deemed to be a part of this Prospectus 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.

Market data and certain industry forecasts used in this Prospectus and the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. The Company have not independently verified such information, and the Company does not make any representation as to the accuracy of such information.

The Company's annual consolidated financial statements that are incorporated by reference into this Prospectus and in any Prospectus Supplement have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Unless the context otherwise requires, references in this Prospectus to "Element", the "Company", "we", "us" or "our" includes Element Nutritional Sciences Inc. and each of its material subsidiaries.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus and the documents incorporated by reference herein may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "**forward-looking information**") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to all timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- the Company's business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones;
- the Company's future growth prospects and intentions to pursue one or more viable business opportunities;
- the development of the Company's business and future activities;
- expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations;
- expectations with respect to economic, business, regulatory and/or competitive factors related to the Company or the health product industry generally;
- the impact of COVID-19 on the Company's current and future operations;
- the market for the Company's current and proposed product offerings, as well as the Company's ability to capture market share;
- the Company's strategic investments and capital expenditures, and related benefits;
- the distribution methods expected to be used by the Company to deliver its product offerings;

- the performance of the Company’s business and the operations and activities of the Company;
- the competitive landscape within which the Company operates and the Company’s market share or reach;
- expectations generally about the Company’s ability to raise further capital for corporate purposes; and
- treatment under applicable governmental regimes for regulatory approvals (see “*Risk Factors*”).

Such forward-looking statements are based on a number of material factors and assumptions and include, without limitation: the ability to build market share and enter new markets and industry verticals; retain key personnel; execute expansion plans; continue investing in research and development to support growth and to enhance current products and create new products which are attractive to customers; obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; impact of competition; changes and trends in the Company’s industry or the global economy; and the changes in laws, rules, regulations, and global standards. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See “*Risk Factors*”. Forward-looking statements are based upon management’s beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Specific reference is made to “*Risk Factors*” herein, “*Risk Factors*” in the AIF (as defined herein) incorporated by reference herein and “*Risk Factors*” in the management’s discussion and analysis of the Company incorporated by reference herein, for a discussion of the factors that may affect forward-looking statements and information. Should one or more of these risks or uncertainties materialize, should other risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Investors are cautioned against placing undue reliance on forward-looking statements.

### **EXEMPTION**

Pursuant to a decision of the Autorité des marchés financiers dated June 27, 2022, the Company was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference therein and any Prospectus Supplement to be filed in relation to an “at-the-market distribution”. This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an “at-the-market distribution”) be translated into French if the Company offers Securities to Québec purchasers in connection with an offering of Securities other than in relation to an “at-the-market distribution”.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in all of the provinces and territories of Canada (the “**Commissions**”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Element Nutritional Sciences Inc. at 1100 Walkers Line, Suite 401, Burlington, Ontario, L7N 2G3 Canada, and Telephone: +1 (855) 348-1970, and are also available electronically on SEDAR which can be accessed electronically at [www.sedar.com](http://www.sedar.com).

The following documents of the Company, which have been filed with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 together with the notes thereto and the auditor’s report thereon, filed on SEDAR on May 2, 2022;

- (b) the management's discussion and analysis of the Company for the years ended December 31, 2021 and 2020, filed on SEDAR on May 2, 2022;
- (c) the amended and restated unaudited interim condensed consolidated financial statements of the Company for the three months ended March 31, 2022 and 2021, filed on SEDAR on July 29, 2022;
- (d) the amended and restated management's discussion and analysis of the Company for the three months ended March 31, 2022, filed on SEDAR on July 29, 2022;
- (e) the annual information form of the Company (the "AIF") dated May 2, 2022 for the year ended December 31, 2021 and filed on SEDAR on May 5, 2022;
- (f) the material change report of the Company dated May 17, 2022 relating to the closing of the Short Form Offering (as defined herein); and
- (g) the news release of the Company dated May 30, 2022 announcing product updates on Rejuvenate™ Muscle Activator, filed on SEDAR on May 30, 2022.

Any annual information form, material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements and related management discussion and analysis, any information circulars (excluding those portions that, pursuant to National Instrument 44-101 of the Canadian Securities Administrators, are not required to be incorporated by reference herein), any business acquisition reports, any news releases or public communications containing financial information about the Company for a financial period more recent than the periods for which financial statements are incorporated herein by reference, and any other disclosure documents required to be filed pursuant to an undertaking to a provincial or territorial securities regulatory authority that are filed by the Company with various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of an offering under any Prospectus Supplement, shall be deemed to be incorporated by reference in this Prospectus.

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

A Prospectus Supplement containing the specific terms of an offering of securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the securities, will be delivered to prospective purchasers of such securities together with this Prospectus and the applicable Prospectus Supplement and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the securities covered by that Prospectus Supplement.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by, the applicable securities commissions or similar regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all quarterly 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 shall be deemed no longer to be incorporated into this Prospectus for purposes of further offers and sales of securities hereunder.

## SUMMARY DESCRIPTION OF THE BUSINESS

The Company holds all of the issued and outstanding equity securities of Element Nutrition Inc. (“**Element Nutrition**”). The business of Element Nutrition is the business of the Company. Element Nutrition was founded and incorporated on July 11, 2014, and is an innovative and research-driven Canadian nutraceutical company specializing in the development of science-based products for the global consumer packaged goods market, with a portfolio focused specifically on men and women over the age of 50. Element Nutrition’s lead product, Rejuvenate, is a proprietary formulation that is clinically proven to assist in the rebuilding, restoration and rejuvenation of natural loss of muscle mass due to aging or other medical conditions. Element Nutrition also offers JAKTRX, an elite brand of performance supplements, through its subsidiary JAKTRX Inc. (“**JAKTRX**”).

The initial product offerings consisted of protein-based powdered products sold under the brand name Boomer Nutrition, which were formulated based on published independent research studies and approved by Health Canada. More recently, the Company has principally been focused on the development and commercialization of a formulation of nine amino acids under the brand name Rejuvenate. Rejuvenate is a proprietary, patented formulation that has clinically proven efficacy in helping prevent muscle loss due to Sarcopenia (muscle loss due to aging). The major portion of sales within the adult nutrition market is in the single serve ready to drink beverage segment. The Company is currently in the process of enhancing its portfolio and commercializing more of its products.

### *JAKTRX Brand*

In March of 2018, Element Nutrition acquired the JAKTRX product line of protein powders and other nutritional supplements targeting the sports nutrition market. The North American sports nutrition market is valued at \$17 billion and is forecast to be \$31 billion by 2027 (*Grand View Research, Sports Nutrition Market Size, Share & Trends Analysis Report Feb 2020*). This represents a significant growth opportunity for Element Nutrition. Additionally, the patented method of administering a formulation of essential amino acids can be incorporated into new product offerings within the JAKTRX brand. JAKTRX is a brand designed and developed for the CrossFit consumer. The JAKTRX brand is made up of a line of protein powders and other nutritional supplements. The products were sold through e-commerce on the JAKTRX website and direct to consumers through CrossFit gyms. However, due to the declining popularity of CrossFit, and in order to expand the brand to more consumers encompassing all sports, a strategy is being executed to change the branding and marketing so as to appeal to the entire sports nutrition consumer and take advantage of the projected growth in the North American sports nutrition market. This change is expected to increase the size of the product’s target market and help improve sales.

An example of a JAKTRX product is provided below:



### *Rejuvenate Brand*

Element Nutrition subsequently acquired rights to a unique patent of administering a formula of essential amino acids (key building blocks of protein) developed at the Geriatric Center at the University of Arkansas. Exclusive patent rights in respect of the ‘Adult Nutrition’ channel of trade, and non-exclusive rights in respect of the ‘Sports Nutrition’ channel of trade were sublicensed by the Company pursuant to an amended and restated sublicense agreement between the Company’s wholly owned subsidiary Element Nutrition Inc. and Eight IP LLC dated October 27, 2020, available under the Company’s profile at [www.sedar.com](http://www.sedar.com). The sublicense agreement was subsequently supplemented to include exclusivity in respect of the



‘Sports Nutrition’ channel of trade (see the Company’s press release of February 8, 2022 for more details). Due to this and the wide range of applications Element Nutrition moved forward with developing a new brand line called Rejuvenate for the purpose of commercializing the acquired intellectual property.

Element Nutrition has principally been focused on the development and commercialization of its Rejuvenate brand. Rejuvenate is a muscle health product designed to help slow and/or prevent muscle loss due to aging (Sarcopenia). The Rejuvenate formulation has been developed extensively through over 17 years of clinical research, driven principally by the Geriatric Centre at the University of Arkansas, funded by dozens of research grants which focused on a wide variety of development and experimentation research focused on the effects of the administration of key amino acid formulations on muscle growth and regeneration, which research has been the subject of a substantial volume of peer-reviewed clinical study. Based on the potential of the formula in delivering a clinically proven nutritional intervention for muscle loss, Rejuvenate is now Element Nutrition’s flag ship brand. Since this new technology made the initial Boomer Nutrition formulations obsolete, Element Nutrition has transitioned out of the Boomer Nutrition brand.

The first product developed under the Rejuvenate brand was the Rejuvenate Sachet Product, a single serve powdered product initially sold in a carton holding 30 single serve pouches delivering 3.6 grams of the essential amino acid formula. Each pouch is mixed with 8-10 ounces of water and consumed 1-2 times per day. Element Nutrition began commercialization of this brand in April of 2019. Initial sales were through e-commerce on Element Nutrition’s websites in the US and Canada and also on Amazon.ca and Amazon.com. Retail sales commenced in the second half of the year at 6,000 CVS retail stores and 2,838 Walmart stores in the United States. Total sales for Rejuvenate for 2019 were \$1,402,663. It can generally take 24 months or more to get a product into significant distribution. However, due to what Element Nutrition believes is the product’s innovative value proposition, it was able to get retail acceptance at an early stage. Element Nutrition’s goal is to continue to build sales and distribution throughout the United States by adding additional retailers and increasing consumer brand awareness through its marketing efforts.

In 2020, the brand started selling at Canadian retailers. The Rejuvenate Sachet Products have received an NPN (as defined below) and went on sale at Rexall Drug stores in Q2 of 2020. It is now also available at select Shoppers Drug Mart stores and was made available at Loblaws stores in October of 2020. Element Nutrition is currently in discussions with multiple retailers in North America to increase its distribution of the Rejuvenate Sachet Products.

Throughout 2020, Element Nutrition developed its Rejuvenate RTD (Ready-To-Drink) Products in order to expand its brand line by offering single-serve beverage products. This is a growth opportunity for Element Nutrition. Element Nutrition believes that the Rejuvenate RTD Products will bring added variety and give consumers an alternate choice to what has traditionally been offered. Initial production of the Rejuvenate RTD Products began in November 2020, and Element Nutrition commenced sales of the Rejuvenate RTD Products on its e-commerce platform in February of 2021. On March 24, 2021, Element Nutrition began shipping Rejuvenate RTD Products to Food Lion stores in the United States. Food Lion is a grocery chain with 1,000 stores in the mid-Atlantic and South Eastern United States. Rejuvenate RTD Products were accepted by Walgreens and launched in 8,438 stores from coast-to-coast in the United States in the middle of June of 2021. In December of 2021 the Rejuvenate RTD Products were accepted by Sam’s Club, the big box division of Walmart, and the Company has begun the process of shipping Rejuvenate RTD Products to 589 Sam’s Club retail locations throughout the United States.

An example of the Rejuvenate RTD beverage and the Rejuvenate Sachets is provided below:



The Company has also developed additional product variations under the Rejuvenate brand to expand on the success of the Rejuvenate Sachets, including Rejuvenate Omega (formulated with essential fatty acids) and Rejuvenate Immune (formulated with Vitamin C, Vitamin D and zinc to help support immune function).

#### *Regulatory Environment*

The United States and Canada have separate regulatory environments applicable to the sale of the Company's products. In the United States, the sale of nutritional and dietary supplements is governed by the Food and Drug Administration (the "FDA"). All of the Company's products sold in the United States (including products sold to consumers in the United States through the Company's website and through third-party platforms) are compliant with FDA regulations. The guidelines for the sale of supplements in the United States are set out in the *Dietary Supplement Health and Education Act* (the "DSHEA"). There is no current process of approval for the sale of nutritional products or any dietary supplements. It is the responsibility of the Company and the manufacturers of its products to ensure that products manufactured and sold are compliant with DSHEA. All of the Company's products are reviewed for compliance with DSHEA by (i) its regulatory consultants and (ii) by the regulatory departments of its United States based contract manufacturers.

The Natural and Non-prescription Health Product Directorate (the "NNHPD"), formerly the Natural Health Product Directorate, is a division of Health Canada responsible for approving natural health products and dietary supplements for sale in Canada, including vitamins, minerals, fish oils, meal replacements and general nutritional products such as protein powders. Depending on the delivery form and formulation of a product (e.g. powder, pill, capsule, bar, etc.), it may be necessary to get approval of the NNHPD before a product can be sold in Canada. Once a product has been approved by Health Canada it receives a Natural Health Product Number ("NPN") and can then be sold in the Canadian market. All of the Company's products that are currently sold in Canada (which currently excludes Rejuvenate RTD but includes all other products sold to consumers in Canada through the Company's website and through third-party platforms) that require an NPN have received an NPN. In addition, food products that do not meet one or more of the compositional, packaging, labelling or advertising requirements under the *Food and Drugs Act* (Canada) require a temporary marketing authorization letter ("TMAL"), issued by Health Canada, to authorize the sale of such products. A TMAL is required to prompt a regulatory amendment from Health Canada. Products that require such an authorization include foods and beverages supplemented or fortified with vitamins, minerals or other bioactive ingredients. The organic plant protein formulation of the Rejuvenate RTD beverage is fortified using the Company's patented method of administering a formulation of essential amino acids, and the Company is therefore required to file for approval from Health Canada and obtain a TMAL prior to selling this beverage. In addition, due to the different regulatory requirements in Canada and the United States, a specific formula for the Rejuvenate RTD beverages must be developed for the Canadian market due to the inclusion of certain novel natural sweeteners that are still undergoing review by Health Canada.

All Rejuvenate products currently for sale and in development contain the Company's patented amino acid formulation. The Company received an NPN from the NNHPD for the Rejuvenate Immune products in Q1 2022 and the Rejuvenate Omega products in Q3 2020. The Company received a TMAL from Health Canada in March 2022 for the Rejuvenate RTD beverage and does not require an NPN to bring the product to market.

Rejuvenate Sachets are currently sold in Canada and the United States. Rejuvenate RTD beverages are currently only sold in the United States. Rejuvenate Immune and Rejuvenate Omega have not yet been brought to market in Canada or the United States. The Company presently anticipates that Rejuvenate Immune will be brought to market in 2022. At this time the Company does not intend to bring the Rejuvenate Omega product to market in Canada, as the Company is choosing to instead focus on more profitable products, such as the Rejuvenate Sachets, Rejuvenate RTD beverages and the JAKTRX product line.

## **Recent Developments**

*In addition to those developments discussed elsewhere in this Prospectus, a summary of recent significant developments of the Company are set out in the AIF. For more information about the Company's significant developments, we refer you to the AIF.*

On May 6, 2022 the Company completed a public offering by way of short prospectus and issued 14,000,000 Common Shares at a price of \$0.25 per Common Share (the "**Short Form Offering**") for gross aggregate proceeds of \$3,500,000. The agent for the Short Form Offering received a cash commission equal to 8.0% of the gross proceeds from the sale of Common Shares pursuant to the Short Form Offering and broker warrants (each, a "**Broker Warrant**") equal to 8.0% of the number of Common Shares sold pursuant to the Short Form Offering. Each Broker Warrant is exercisable to purchase one Common Share at a price of \$0.25 per share for a period of 24 months from the date of closing of the Short Form Offering.

## **CONSOLIDATED CAPITALIZATION**

Other than as disclosed under the headings "*Summary Description of Business*" and "*Prior Sales*", there have been no material changes in the Company's share and loan capital, on a consolidated basis, since December 31, 2021, the date of the most recently completed financial period of the Company.

## **RISK FACTORS**

### **General**

*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, prospective investors should carefully consider the risks and uncertainties described below in the documents incorporated by reference in this Prospectus, together with all of the other information contained in this Prospectus, before purchasing the Company's securities. There are trends and factors that may be beyond the Company's control which affect its operations and business. Such trends and factors include adverse changes in the conditions in the specific markets for the Company's nutritional related products and services and conditions in the domestic or global economy generally. It is not possible for management to predict economic fluctuations and the impact of such fluctuations on its performance. While risk management is part of the Company's transactional, operational and strategic decisions, as well as the Company's overall management approach, risk management does not guarantee that events or circumstances will not occur which could negatively affect the Company's financial condition and performance. No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives.*

*Investors should also refer to the other information set forth or incorporated by reference in this Prospectus, including the Company's consolidated financial statements and related notes. This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's 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 “Note Regarding Forward-Looking Statements” in this Prospectus.*

***Prospective investors should carefully consider the risks described under the heading “Risk Factors” in the AIF and other publicly filed documents which are incorporated herein by reference, as well as the information contained in the section “Cautionary Note Regarding Forward-Looking Statements” in this Prospectus. See “Documents Incorporated by Reference”.***

### **Risks Related to the Business**

*The Company has a limited operating history and there is no assurance that the Company will be successful in achieving a return on shareholders’ investment*

The Company has a limited operating history and as a result will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There is no assurance that the Company will be successful in achieving a return on shareholders’ investment.

*The Company currently does not generate significant revenue and has not generated profit from its operations, and as a result, we face a high risk of business failure*

The Company has a history of operating losses and may never achieve profitability in the future. The Company is an early stage company; accordingly, it has not generated any profit from its operations.

*The Company intends to expand its marketing efforts and product offering and expects the related expenses to result in continuing operating losses for the foreseeable future*

The Company’s ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract the experienced management and know-how to develop and commercialize future products and to market current and future products. Successfully developing future and current product into marketable product offerings may take several years and significant financial resources and the Company cannot assure that it can achieve these objectives.

*The Company currently has negative operating cash flow and if the Company sustains losses over an extended period of time, the Company may be unable to continue its business*

Although the Company expects to become profitable, there is no guarantee that this will happen and it may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. For most of its history, the Company has had limited revenues. The actions of third parties and market prices affect the degree of variation in our variable costs. Our ability to generate revenues and the potential to become profitable will depend largely on our ability to have our products manufactured and to market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustain losses over an extended period of time, the Company may be unable to continue its business.

*The Company’s use of working capital is uncertain, subject to change, and could have a material adverse effect on the Company’s business*

Although the Company has set out its intended use of its capital in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company’s business, including the Company’s ability to achieve its stated business objectives.

*Availability and supply of raw materials may increase costs and reduce the financial viability of products available for sale*

We outsource the manufacture of our products to third parties. Such third parties in turn source raw materials in order to produce our products. The availability of raw materials as well as variations in the price of raw materials may therefore increase the Company's operating costs. The resulting effect on the Company's operating profit margin depends on, among other things, the Company's ability to increase the prices of its finished products in the context of a competitive market. Fluctuations in raw material prices may therefore increase or decrease the Company's operating profit margin. Price increases may also result in downward pressure on sales volume. Furthermore, the Company's third party manufacturer(s) will be competing with other producers and manufacturers to secure raw materials, and such producers or manufacturers may, because of a variety of factors including but not limited to their relationships with suppliers, size, and competitive position within our industry be able to secure raw materials before the Company's manufacturer(s) could secure such material, or may push the prices of raw materials higher because of such producers' or other manufacturers' demand for raw materials that the Company also requires. Potential delays in the Company's or any of its third party manufacturer's ability to secure raw materials could undermine the Company's commitments to produce and deliver its products to distributors, which could undermine market share, revenue, and hence profitability.

*Pre-Clinical evaluations and Clinical trials are very expensive, time-consuming and difficult to design and implement*

Any pre-clinical or clinical trials that we contemplate to undertake will be highly risky. Pre-clinical evaluations and clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The pre-clinical evaluation and clinical trial process is also time-consuming. Furthermore, failure can occur at any stage of any evaluation or trial, and problems could be encountered that can cause these to be abandoned or repeated. Further, we, Health Canada, or the FDA may suspend any of our future clinical trials at any time if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, that we are exposing participants to unacceptable health risks, or if Health Canada or the FDA find deficiencies in our submissions or the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of any future pre-clinical evaluation or clinical trial, or if we terminate such pre-clinical evaluation or clinical trial prior to completion, the commercial prospects of our product candidates could be harmed, and our ability to generate revenues from them may be delayed. In addition, any delays in future pre-clinical evaluation or clinical trials could increase our costs, slow down any approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition and results of operations. In instances where regulatory approval or approval of a label or designation is helpful but not mandatory for any product, nevertheless, the lack of such approval might diminish the marketability of our current and future product offerings.

*Health Canada may not approve any future applications for Natural Health Product Numbers relating to new products*

There is a risk that we will not be successful in obtaining all required approvals in the future. We may also abandon any applications for reasons including high costs or a change in our marketing or strategic business direction. In instances where approval or approval of a label or designation is helpful but not mandatory for any product, nevertheless, the lack of such approval might diminish the marketability of our current and future product offerings.

*There can be no assurance that the Company will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis*

The market for nutrient and health related a product are characterized by evolving regulatory and industry standards, changes in consumer tastes, needs, and habits and frequent new product introductions and enhancements within the industry. The introduction of products embodying new technologies or substances and the emergence of new industry standards and service offerings could render the Company's existing products and products currently under development obsolete or undermine the Company's ability to successfully compete with such other products. The Company's success will largely depend upon its ability to evolve its products and services to sufficiently keep pace with technological and regulatory developments and respond to the needs of its existing and prospective customers. Failure to anticipate or respond adequately to technological developments or future customer or regulatory requirements, or any significant delays in product

development or introduction, could damage the Company's competitive position in the market place and effect current and/or future commercialization plans. There can be no assurance that the Company will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

*Current and future competitors could have a significant impact on our ability to generate future revenue and profits*

The planned business to be carried out by the Company will be highly competitive and involve a high degree of risk. The Company is not the only supplier of nutrient and health related products in North America or other markets in which the Company intends to enter in the future. In its efforts to achieve its objectives, the Company will compete with other companies that may have greater resources, many of which will not only develop technology but also manufacture and sell similar products on a worldwide basis. The markets for our products are intensely competitive, and are subject to rapid consumer and technological changes and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar products. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products; add enhance existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products, we might need to lower the prices we charge for the products we plan to offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results. Additionally, current and potential competitors may have more resources to spend on marketing; distribution and product development than we do; and this may materially affect our business and operations.

*The Company may become involved in legal matters that may materially adversely affect us*

From time to time in the ordinary course of our business, the Company may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be highly expensive, the results of any such actions may have a material adverse effect on the Company's business, operations or financial condition.

*Investment in our current research and development efforts may not provide a sufficient, timely return*

The development of new products and strategies is a costly, complex and time-consuming process, and the investment in technology product development and marketing often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in technology development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they are not sufficiently offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services may not be as lucrative as the margins we previously experienced for our legacy products and services.

*The Company may become subject to uninsured or uninsurable risks that could have a material adverse effect on our financial position*

The Company may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position.

*Management may have conflicts of interest in allocating management time, services and functions and it is possible that these conflicts of interest could have a material adverse impact on the Company*

Our executive officers and directors will devote only that portion of their time, which, in their judgment and experience, is reasonably required for the management, and operation of our business. Management may have conflicts of interest in allocating management time, services and functions among the Company and any present and future ventures, which are or may be organized by our officers or directors and/or their affiliates. Management are not required to direct the Company as their sole and exclusive function, and they may have other business interests and engage in other activities in addition to those relating to the Company. This includes rendering advice or services of any kind to other investors and creating or managing other businesses. It is possible, however, that our directors and officers may owe similar consideration to another organization(s). It is possible that these and other conflicts of interest are resolved in a way that has a material adverse impact on the Company.

*The Company depends on key personnel and changes to, or departure of, key employees, consultants, or members of management could adversely affect the Company's operations*

The Company depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Company's business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment and consulting agreements are customarily used as a primary method of retaining the services of key employees and consultants, these agreements cannot assure the continued services of such employees or consultants. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition. Changes to or departure of key employees, consultants, or members of management could adversely affect the Company's operations.

*The Company outsourcing certain operations and changes in third parties could adversely affect the Company's operations, profitability, and reputation in the market*

The Company outsources certain operations, including the manufacture, storage and packaging of its products, to third parties. Although bound by contractual obligations, the Company has no direct control over the operations of the parties whom it outsources to. Such third parties are subject to various operational, economic and legal risks affecting their operations, and changes in such third parties operations, profitability, and regulatory environment could adversely affect the quality of and/or the ability of such parties to deliver services or goods to the Company, which in turn could adversely affect the Company's operations, profitability, and reputation in the market.

*The Company outsourced the manufacturing of its products and unanticipated business disruptions from outsourcing agents could negatively affect the Company's financial condition and performance*

The Company outsources the manufacturing of its products. Major events, such as equipment failure, health pandemics and natural disasters, could lead to unanticipated business disruption of any or certain of the Company's manufacturers and suppliers. The failure to find alternative manufactures, suppliers or to replace lost production capacity in a timely manner could negatively affect the Company's financial condition and performance.

*The price of health related products in Canada, the U.S.A. and international markets could impact the Company's financial results*

The price of health related products in Canada, the United States, as well as in international markets, are based on market supply and demand forces and consumer perception. The prices are tied to numerous factors, such as the health of the economy and supply and demand levels and consumer tastes in the health industry. Price fluctuations may affect the

Company's operating profit margin. The effect of such fluctuations on the Company's financial results will depend on its ability to implement mechanisms to reduce them.

*The Company is subject to currency risk exposures that could impact the Company's financial results*

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it sells its products. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

*The Company is subject to consumer's overall ability and willingness to purchase health and wellness products, where a change could negatively impact the Company's financial results*

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's sales and profitability. Additionally, demand for the Company's products is subject to changes in consumer trends. These changes may affect earnings. The impact of these changes will depend on the Company's ability to innovate and develop new products. The Company's products may not appeal to all consumers. The Company's products may be more appealing to more affluent and/or health conscious consumers looking for alternatives to existing products competitive to the Company's product offering. As a result, changes in consumer trends and taste preferences on their own and in conjunction with changing product offerings by other suppliers may affect demand for the Company's products.

*Legislative, regulatory, normative and other political considerations may impact the granting or continued performance of permits and licences affecting the Company's financial results*

The Company is subject to local, provincial, federal and international laws, regulations, rules and policies as well as to social, economical and political contexts prevailing in places where the Company conducts its activities. Consequently, the modification or change of any of these elements may have an unfavourable impact on the Company's results and operations and may require expenditures by the Company in order to adapt or comply to such modification or change. More specifically, the production and distribution of health products are subject to federal, provincial and local laws, rules, regulations, and policies, and to international trade agreements, all of which provide a framework for the Company's operations. The impact of new laws and regulations, stricter enforcement or interpretations or changes to enacted laws and regulations will depend on the Company's ability to adapt to, comply with and mitigate such changes. The Company is currently in compliance with all material laws and regulations and maintains all material permits and licenses in connection with its operations.

*Regulatory changes related to health and wellness products could affect the Company's financial results*

If a law or regulation were amended, the resulting impact would depend on the Company's ability to adapt, comply and assume the related costs. Changes to the legal and regulatory environment could have an impact on our operating costs and financial results. Such regulatory amendments might include changes to food and drug laws, labelling laws, accounting standards, tax laws, competition laws and environmental laws, including laws with respect to water rights and water treatment regulations and laws affecting the treatment of animals. Such changes can have an impact on our financial results or increase our costs and liabilities. The Company believes however that such changes would affect all health products and would not disproportionately harm the Company relative to the health product industry.

*We rely on the Internet and Computer infrastructure and if there are interruptions, delays or stoppages in service it could cause a material adverse effect on the Company's financial condition*

The Company relies on the Internet and computer technology to market and sell its products and services through its website, in addition to any sale efforts that the Company or any of its distributions may undertake that would not use the Internet. Additionally, the Company's suppliers and distributors may also rely on the Internet and computer technology for their business operations. The Company's reliance on Internet and computer technology implies that there can be no assurances that a system failure would not adversely affect the performance of the Company. The Company presently has limited



redundancy systems, relies on third party back up facilities and only a limited disaster recovery plan. Despite the implementation of network security measures, its servers may be vulnerable to computer viruses, physical or electronic break-ins and similar disruptive problems which could lead to interruptions, delays or stoppages in service to users of the Company's website which could cause a material adverse effect on the Company's business, operations and financial condition.

*The Company relies on certain web-based security and privacy measures, and failure or inadequacy of any measures may result in the Company in revenue and/or increases in costs*

If the security measures the Company plans to use to protect the personal information of its website users, such as credit card numbers, are ineffective it could result in a reduction in revenues from decrease customer confidence, an increase in operating expenses, as well as possible liability and compliance costs.

Any breach in the Company's website security, whether intentional or unintentional, could cause users of our website to lose their confidence in our website and as a result stop using the website. This would result in reduced revenues and increased operating expenses, which would impair the Company from achieving profitability. Additionally, breaches of our users' personal information could expose the Company to possible liability as any involved user, or users may choose to sue the Company. Breaches resulting in disclosure of users' personal information may also result in regulatory fines for noncompliance with online privacy rules and regulations.

The Company plans to rely on encryption and authentication technology licensed from third parties whose area of expertise is to provide secure transmission of confidential information. The Company uses third party payment processing for purchases through our website and the Company has no control over such third party business and operations. We believe that as a result of advances in computer capabilities, new discoveries in the field of cryptography and other developments, a compromise or breach of our security precautions may occur. A compromise in the Company's proposed security for its computer systems could severely harm our business because a party who is able to circumvent our proposed security measures could misappropriate proprietary information, including customer credit card information, or cause interruptions in the operation of our website. The Company may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Concerns regarding the security of e-commerce and the privacy of users may also inhibit the growth of the Internet as a means of conducting commercial transactions in general. The Company's users may have these concerns as well and this may result in a reduction in revenues and increase in our operating expenses, which would prevent us from achieving profitability.

*Website functionality failure could cause the Company to experience reduced revenue and/or increased costs*

If the software on the Company's website contains undetected errors, the Company could lose the confidence of users, resulting in loss of customers and a reduction of revenue.

The Company's online systems, including but not limited to its websites, software applications and online sales for products, could contain undetected errors or "bugs" that could adversely affect their performance. The Company plans to regularly update and enhance all sales, websites and other online systems. The occurrence of errors in any of these may cause the Company to lose market share, damage our reputation and brand name, and reduce our revenues.

*Evolving regulation of the Internet may affect us adversely*

As Internet commerce continues to evolve, increasing regulation by federal, provincial, state or foreign agencies becomes more likely. For example, we believe increased regulation is likely in the area of data privacy, and laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information could affect our ability to use and share data for marketing and sale purposes, and restricting our ability to store, process and share data with our customers and suppliers. In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed in addition to any current taxes for the sale of

our products. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business.

*Additional capital and liquidity may be required or the Company may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows*

Additional funds for the continuation of the Company's current and planned operations may be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Current financial conditions, revenues, taxes, capital expenditures and operating expenses are all factors, which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to holders of the Common Shares. Debt financing, if available, may also involve restrictions on financing and operating activities, and, in case of convertible debt, may be dilutive to holders of the Common Shares upon conversion of such debt. There is no assurance that additional financing will be available on terms acceptable to the Company, or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

*The Company may require additional financing in order to execute its business plan and may be required to cease operating or modify its business plans if further financing is not available*

The Company has not yet generated profit and will likely operate at a loss as it looks to market and further commercialize its product offering. The Company may require additional financing in order to execute its business plan. Our ability to secure required financing would depend in part upon investor perception of our ability to create a successful business. Capital market conditions and other factors beyond our control may also play important roles in our ability to raise capital. The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to our management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that we feel the business requires, or unavailable on acceptable terms, we may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

*Financial statements prepared on a going concern basis and the Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objectives*

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of our industry. The Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. Our financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Company be unable to continue as a going concern.

*The Company does not have any litigation insurance, and any litigation experienced might result in our incurring substantial costs and the diversion of resources*

While litigation insurance is available, the cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. As a result, we do not have any litigation insurance coverage for our operations. Any litigation may result in the Company incurring substantial costs and the diversion of resources.

*Product liability may exceed the Company's insurance, if any, at the relevant time and may cause the Company to cease operations, divert funds or seek additional financing*

The Company's operations are subject to certain dangers and risks of liability faced by all health product producers and distributors, such as the potential contamination of ingredients or products by bacteria or other external agents that may be

introduced into products or packaging. The occurrence of such a problem could result in a costly product recall and serious damage to the Company's reputation for product quality, and could result in claims against the Company, all of which may or may not be sufficiently covered by the Company's insurance, if any, at the relevant time.

*The Company indemnifies its directors in accordance with and to the greatest extent possible under, the BCBCA and in accordance with its Director Indemnification Agreements*

Our Articles contain provisions with respect to the indemnification of our directors to the greatest extent possible under the BCBCA. Additionally, the Company has executed Director Indemnification Agreements to limit the personal liability of Directors within the limits defined by the BCSC, BCBCA, and the laws of Canada and the Province of British Columbia.

*Uncertainty and Adverse Changes in the Global Economy*

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in fuel, energy and commodity prices, including as a result of the COVID-19 virus pandemic and as a result of the continuance or escalation of the military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith. Many industries, including those involved in the sale of goods to consumers, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to future events, as government authorities may have limited resources to respond to future crises. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability (such as the Russian invasion of Ukraine), changes to energy prices or sovereign defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the availability of equity financings and credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's securities.

*Global Outbreak of COVID-19 (Coronavirus)*

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by federal, state, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders in Canada and the United States. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, the United States and other countries to fight the virus. While the extent of the impact is unknown, we recognize this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

The impacts of the COVID-19 pandemic may also include: a decrease in demand for the products; a reduction in production levels; increased costs resulting from the Company's efforts to mitigate the impact of the COVID-19 pandemic on operations; a deterioration of worldwide credit and financial markets that could limit the Company's ability to obtain external financing to fund the Company's capital expenditures or its operations; and a disruption to the Company's distribution channels or supply chains. A material adverse effect on the Company's licensees, employees, customers, suppliers and/or distributors could have a material adverse effect on the Company. The transmission of COVID-19 and efforts to contain its spread has resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand (across all sectors), service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty. The overall severity and duration of COVID-19-related adverse impacts on the Company's business will depend on future developments which cannot currently be predicted, including directives of government and public health authorities, the

speed at which suppliers and distributors can return to full production, the status of labour availability and the ability to staff operations and facilities. Even after the COVID-19 outbreak has subsided, the Company may continue to experience material adverse impacts to its business as a result of the global economic impact, including supply chain disruptions, labour shortages and possible economic recessions.

*Forward-Looking Information May Prove Inaccurate*

Investors are cautioned not to place undue reliance on forward-looking statements and forward-looking information. By its nature, forward-looking statements and forward-looking information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading “Cautionary Note Regarding Forward-Looking Statements”.

**Risks Relating to the Common Shares**

*No Assurance of Active Liquid Market for Common Shares*

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the CSE. Investors may not be able to sell their Common Shares quickly or at the latest market price if trading in the Common Shares is not active.

*The market price of shares and volatility of microcap and small-cap stocks can be significant and may result in losses for investors.*

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies’ financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor’s ability to trade significant numbers of the Common Shares; the size of our public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. The market price of the Common Shares is affected by many other variables, which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for our Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares create volatility in the price for Common Shares in the future, which may result in losses to investors.

*Investors should consider the share price volatility and speculative nature of share ownership and any share purchase should be considered a speculative investment.*

Factors both internal and external to the Company may significantly influence the price at which our Common Shares trade, and the volatility of our Share price. Quarterly operating results and material developments reported by the Company can, and likely will, influence the price of Common Shares. Sentiment toward stocks in our industry, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Company’s Common Shares. The Company is a relatively young company that has not generated revenue for most of its history and has not yet generated any profit, and does not possess significant cash reserves. As such, it should be considered a speculative investment.

*Discretion over the use of the current cash resources*

Although the Company intends to expend its existing cash resources as set forth herein, there may be circumstances where for sound business reasons, a reallocation of funds becomes prudent or necessary, and such use of the Company's existing cash resources may vary from the uses stated in this Prospectus. Accordingly, management of the Company will have discretion in the application of its use of current cash resources. As a result, an investor will be relying on the judgment of management for the application of the proceeds from an offering. Prospective investors may not agree with how the Company allocates or spends the proceeds from an offering of its securities. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations and financial condition may suffer.

*Discretion over the use of the net proceeds*

While the Company intends to use the funds from any offering of securities as outlined in this Prospectus and any Prospectus Supplement, there may be circumstances where, based on sound business reasons, a reallocation of funds may be necessary or prudent. Accordingly, management of the Company will have discretion in the application of the net proceeds of any Offerings. As a result, an investor will be relying on the judgment of management for the application of the proceeds from any Offerings. Prospective investors may not agree with how the Company allocates or spends the proceeds from any Offerings. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations and financial condition may suffer.

*The Company does not intend to pay dividends for the foreseeable future and investors may lose all of their investment in the Company*

We have never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that we require additional funding currently not provided for in our financing plan, our funding sources may prohibit the payment of a dividend. Because we do not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the price of our Common Shares. This may never happen and investors may lose all of their investment in the Company.

*The future sale of equity securities in the Company will dilute investors' voting power and reduce future earnings per share through dilution*

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities, convertible securities to equity securities or the effect, if any, that future sales and issuances of equity securities or convertible securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities or convertible 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 our earnings per share, and suffer such dilution upon the conversion of convertible securities into equity.

*Loss of Entire Investment*

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Company.

*Price of the Common Shares May Fluctuate*

Market prices for securities in general, and that of nutraceutical companies in particular, tend to fluctuate. Factors such as COVID-19, the announcement to the public or in various scientific or industry forums of technological innovations, new commercial products, patents, exclusive rights obtained by the Company or others, disputes or other developments relating to proprietary rights, including patents, litigation matters and the Company's ability to obtain patent protection for the Company's technologies, changes in the development status of the Company's products, any delay in the Company's regulatory filings for the Company's products and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, a change of regulations, additions or departures of key scientific or management personnel, overall performance of the equity markets, general political and economic conditions, publications, failure to meet the estimates and projections of the investment community or that the Company may otherwise provide to the public, research reports or positive or negative recommendations or withdrawal of research coverage by securities analysts, actual or anticipated variations in quarterly operating results, announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by the Company or the Company's competitors, public concerns over the risks of pharmaceutical products, unanticipated serious safety concerns, future sales of securities by the Company or its shareholders, and many other factors, many of which are beyond the Company's control, could have considerable effects on the price of the Company's securities. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the value of the Company or its securities.

In addition, the stock market in general, and nutraceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of the Common Shares, regardless of the Company's actual operating performance. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm the Company's business, operating results or financial condition.

**PRIOR SALES**

During the twelve-month period prior to the date of this Prospectus, the Company issued the following securities:

<b>Date of Issue</b>	<b>Price per Security/Exercise price</b>	<b>Number of Securities</b>	<b>Type of Security</b>
June 18, 2021	\$0.60	8,334,000	Common Shares
June 18, 2021	\$1.00	4,167,000	Brokered Private Placement Warrants <sup>(1)</sup>
June 18, 2021	\$0.60	583,380	Finder Warrants <sup>(1)</sup>
June 18, 2021	\$0.60	208,334	Common Shares <sup>(1)</sup>
July 6, 2021	\$0.81	1,700,000	Options to purchase Common Shares
September 27, 2021	\$0.25	26,880	Common Shares <sup>(2)</sup>
November 10, 2021	\$0.25	22,400	Common Shares <sup>(2)</sup>
November 24, 2021	\$0.25	739,640	Common Shares <sup>(2)</sup>
January 23, 2022	\$0.25	1,000,000	Common Shares <sup>(2)</sup>
May 6, 2022	\$0.25	14,000,000	Common Shares <sup>(3)</sup>
May 6, 2022	\$0.25	1,120,000	Broker Warrants <sup>(3)(4)</sup>
June 14, 2022	\$0.25	8,400	Common Shares <sup>(2)</sup>

## Notes:

- (1) On June 18, 2021, the Company completed the Unit Private Placement, a brokered private placement of 8,334,000 units of the Company for gross aggregate proceeds of \$5,000,400. Each unit consists of one Common Share and one half of one common share purchase warrant (each full warrant a “**Brokered Private Placement Warrant**”), with each whole such Brokered Private Placement Warrant exercisable for one Common Share for a period of 24 months from the closing date at a price of \$1.00 per share. In connection with the Unit Private Placement, the Company paid the Agent a cash commission of \$350,028, issued 583,380 common share purchase warrants to the Agent (the “**Finders Warrants**”) with each Finder Warrant exercisable for one Common Share at a price of \$0.60 per share for a period of 24 months from the date of issuance and paid the Agent a corporate finance fee of \$125,000, payable in Common Shares at a deemed price of \$0.60 per share.
- (2) Common Shares issued on the exercise of 1,797,320 warrants.
- (3) Issued in connection with the Short Form Offering.
- (4) Each Broker Warrant is exercisable to acquire one Common Share at a price of \$0.25 per share for a period of 24 months from the date of issuance.

### TRADING PRICE AND VOLUME

On May 26, 2021 (the “**Listing Date**”), the Common Shares were listed for trading on the CSE under the symbol “ELMT”. The table below sets out the price ranges and trading volumes of the Common Shares for each month or partial month during the 12 months preceding the date of this Prospectus:

Period	High	Low	Volume
<b>2021</b>			
July	\$0.89	\$0.65	3,061,397
August	\$0.75	\$0.61	2,176,440
September	\$0.85	\$0.64	1,961,561
October	\$0.68	\$0.47	1,756,936
November	\$0.56	\$0.345	4,281,493
December	\$0.52	\$0.265	4,434,425
<b>2022</b>			
January	\$0.45	\$0.325	3,600,207
February	\$0.41	\$0.28	5,800,663
March	\$0.36	\$0.285	3,557,175
April	\$0.34	\$0.295	2,334,371
May	\$0.425	\$0.16	9,721,430
June	\$0.40	\$0.19	1,846,093
July 1 - 28	\$0.295	\$0.165	1,856,319

### USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds of any offering of securities under a Prospectus Supplement will be used for general corporate purposes. More detailed information regarding the use of proceeds from a sale of securities will be included in the applicable Prospectus Supplement.

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 Company’s general funds, unless otherwise stated in the applicable Prospectus Supplement.

## **DIVIDEND POLICY**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its cash to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the Company's board of directors and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the board of directors may deem relevant.

## **DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS**

The Company may offer Common Shares, warrants, subscription receipts, or units with a total value of up to \$28,000,000 from time to time under this Prospectus, together with any applicable Prospectus Supplement, at prices and on terms to be determined by market conditions at the time of offering. This Prospectus provides you with a general description of the securities the Company may offer. Each time the Company offers securities, it will provide a Prospectus Supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

- designation or classification;
- aggregate offering price;
- original issue discount, if any;
- rates and times of payment of dividends, if any;
- redemption, conversion or exchange terms, if any;
- conversion or exchange prices, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices and in the securities or other property receivable upon conversion or exchange;
- restrictive covenants, if any;
- voting or other rights, if any; and
- important Canadian federal income tax considerations.

A Prospectus Supplement may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement will offer a security that is not described in this Prospectus.

### **Description of Common Shares**

The Company is authorized to issue an unlimited number of Common Shares without par value. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and to cast one vote per Common Share at all such meetings. Each Common Share held entitles the holder to receive dividends as and when declared by the board of directors of the Company. In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purposes of winding-up its affairs, the holders of the Common Shares shall share equally, share for share, in the remaining assets and property of the Company.

### **Description of Warrants**

Warrants may be offered separately or together with other securities, as the case may be. Each series of warrants will be issued under a separate warrant indenture to be entered into between the Company and one or more banks or trust companies



acting as warrant agent. The applicable Prospectus Supplement will include details of the terms and conditions of the warrants being offered. The warrant agent will act solely as the Company's agent and will not assume a relationship of agency with any holders of warrant certificates or beneficial owners of warrants.

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

- the designation and aggregate number of warrants;
- the price at which the warrants will be offered;
- the currency or currencies in which the warrants will be offered;
- whether the warrants will be listed on the CSE;
- the designation and terms of the Common Shares purchasable upon exercise of the warrants;
- the date on which the right to exercise the warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each warrant;
- the designation and terms of any securities with which the warrants will be offered, if any, and the number of the warrants that will be offered with each security;
- the date or dates, if any, on or after which the warrants and the related securities will be transferable separately;
- whether the warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the warrants; and
- any other material terms or conditions of the warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of Common Shares issuable upon exercise of the warrants.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the warrants 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 warrants.

### **Description of Subscription Receipts**

The Company may issue subscription receipts, which will entitle holders to receive upon satisfaction of certain release conditions and for no additional consideration, Common Shares, warrants or a combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a "**Subscription Receipt Agreement**"), each to be entered into between the Company and an escrow agent (the "**Escrow Agent**"), which will establish the terms and conditions of the subscription receipts. 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. The Company will file on SEDAR a copy of any Subscription Receipt Agreement after the Company has entered into it.

The following description sets forth certain general terms and provisions of subscription receipts and is not intended to be complete. The statements made in this Prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement and the Prospectus Supplement describing such Subscription Receipt Agreement. The Company urges you to read the applicable Prospectus Supplement related to the particular subscription receipts that the Company sells under this Prospectus, as well as the complete Subscription Receipt Agreement.

The Prospectus Supplement and the Subscription Receipt Agreement for any subscription receipts the Company offers will describe the specific terms of the subscription receipts and may include, but are not limited to, any of the following:

- the designation and aggregate number of subscription receipts offered;
- the price at which the subscription receipts will be offered;
- the currency or currencies in which the subscription receipts will be offered;
- the designation, number and terms of the Common Shares, warrants or combination thereof to be received by holders of subscription receipts upon satisfaction of the release conditions, and the procedures that will result in the adjustment of those numbers;
- the conditions (the “**Release Conditions**”) that must be met in order for holders of subscription receipts to receive for no additional consideration Common Shares, warrants or a combination thereof;
- the procedures for the issuance and delivery of Common Shares, warrants or a combination thereof 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, warrants or a combination thereof upon satisfaction of the Release Conditions (e.g., an amount equal to dividends declared on Common Shares by the Company to holders of record during the period from the date of issuance of the subscription receipts to the date of issuance of any Common Shares pursuant to the terms of the Subscription Receipt Agreement);
- 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 Common Shares, warrants or a combination thereof 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 commission 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 for 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 this Prospectus, the Prospectus Supplement under which 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 the Company will issue the subscription receipts as global securities and, if so, the identity of the depository for the global securities;
- whether the Company will issue the subscription receipts as bearer securities, registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms attaching to the subscription receipts;
- the identity of the Escrow Agent;
- whether the subscription receipts will be listed on any exchange;
- material Canadian federal tax consequences of owning the subscription receipts; and
- any other terms of the subscription receipts.

The holders of subscription receipts will not be shareholders of the Company. Holders of subscription receipts are entitled only to receive Common Shares, warrants or a combination thereof on exchange of their subscription receipts, plus any cash payments provided for under the Subscription Receipt Agreement, if the Release Conditions are satisfied. If the Release Conditions are not satisfied, the holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and all or a portion of the pro rata share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the subscription receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the subscription receipts 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 subscription receipts.

### **Description of Units**

The Company may issue units comprised of one or more of the other securities described in this Prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement, if any, under which a unit is issued may provide that the securities comprising the unit may not be held or transferred separately, at any time or at any time before a specified date.

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

- the designation and aggregate number of units offered;
- the price at which the units will be offered;
- if other than Canadian dollars, the currency or currency unit in which the units are denominated;
- the terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;

- the number of securities that may be purchased upon exercise of each unit and the price at which and currency or currency unit in which that amount of securities may be purchased upon exercise of each unit;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and
- any other material terms, conditions and rights (or limitations on such rights) of the units.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the units 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 units.

### **DENOMINATIONS, REGISTRATION AND TRANSFER**

The Securities will be issued in fully registered form without coupons attached in either global or definitive form and in denominations and integral multiples as set out in the applicable Prospectus Supplement. Other than in the case of book-entry only securities, Securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) in the city specified for such purpose at the office of the registrar or transfer agent designated by the Company for such purpose with respect to any issue of Securities referred to in the Prospectus Supplement. No service charge will be made for any transfer, conversion or exchange of the Securities, but we may require payment of a sum to cover any transfer tax or other governmental charge payable in connection therewith. Such transfer, conversion or exchange will be effected upon such registrar or transfer agent being satisfied with the documents of title and the identity of the person making the request. If a Prospectus Supplement refers to any registrar or transfer agent designated by the Company with respect to any issue of Securities, we may at any time rescind the designation of any such registrar or transfer agent and appoint another in its place or approve any change in the location through which such registrar or transfer agent acts.

In the case of book-entry only securities, a global certificate or certificates representing the Securities will be held by a designated depository for its participants. The Securities must be purchased or transferred through such participants, which includes securities brokers and dealers, banks and trust companies. The depository will establish and maintain book-entry accounts for its participants acting on behalf of holders of the Securities. The interests of such holders of Securities will be represented by entries in the records maintained by the participants. Holders of Securities issued in book-entry only form will not be entitled to receive a certificate or other instrument evidencing their ownership thereof, except in limited circumstances. Each holder will receive a customer confirmation of purchase from the participants from which the Securities are purchased in accordance with the practices and procedures of that participant.

### **PLAN OF DISTRIBUTION**

The Company may sell the securities to or through underwriters or dealers, and also may sell securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the securities and the proceeds to the Company from the sale of the securities. Only those underwriters, dealers or agents named in a Prospectus Supplement will be the underwriters, dealers or agents in connection with the securities offered thereby.

The securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions deemed to be “at the market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the CSE or other existing 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 public 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.

In connection with any offering of securities, other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company’s warrants, units, or subscription receipts may be sold and you may not be able to resell any such securities purchased under this Prospectus or any Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement, the securities (excluding any Common Shares) will not be listed on any securities exchange. This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “*Risk Factors*”.

In connection with the sale of securities, underwriters, dealers and agents may receive compensation from the Company or from purchasers of the securities from whom they may act as agents in the form of discounts, concessions or commissions. Any such commissions will be paid out of the Company’s general funds. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters and any discounts or commissions received by them from the Company and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under applicable securities legislation.

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

### **CERTAIN INCOME TAX CONSIDERATIONS**

Owning or holding any of the Company’s securities may subject you to tax consequences in Canada and elsewhere.

Although the applicable Prospectus Supplement may describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully. You should consult your own tax advisor with respect to your particular circumstances.

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

SRCO Professional Corporation, Chartered Accountants (“**SRCO**”), is the Company’s auditor. SRCO has confirmed that it is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Endeavor Trust Corporation.

### **INTERESTS OF EXPERTS**

SRCO are the auditors of the Company and reported on the Company’s audited financial statements for the year ended December 31, 2021. SRCO has confirmed that it is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

## PROMOTER

Stuart Lowther, the Company's Chairman, Chief Executive Officer, President and a Director, may be considered to be a "promoter" of the Company in that he took the initiative in founding and organizing the business of the Company. Mr. Lowther is the registered and beneficial owner of 18,230,258 Common Shares of the Company, which is equal to 16.34% of the Common Shares issued and outstanding (on a non-diluted basis) as of July 28, 2022.

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

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or damages if the Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original purchasers of warrants and subscription receipts will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such warrant and subscription receipt, as the case may be. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the warrant or subscription receipt, as the case may be, the amount paid upon conversion, exchange or exercise 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, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. 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 THE COMPANY

Dated: July 29, 2022

This Amended and Restated Prospectus (in the provinces and territories of Canada other than Québec) and this Preliminary Short Form Prospectus (in the province of Québec), 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), constitute 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, except Québec.

*“Stuart Lowther”*

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STUART LOWTHER

Chief Executive Officer, President and  
Chairman

*“Shaun Power”*

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SHAUN POWER

Chief Financial Officer, Corporate  
Secretary and Director

ON BEHALF OF THE BOARD OF DIRECTORS

*“Lino Fera”*

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LINO FERA

Director

*“Sean Bromley”*

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SEAN BROMLEY

Director

## CERTIFICATE OF THE PROMOTER

Dated: July 29, 2022

This Amended and Restated Prospectus (in the provinces and territories of Canada other than Québec) and this Preliminary Short Form Prospectus (in the province of Québec), 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), constitute 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, except Québec.

*“Stuart Lowther”*

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STUART LOWTHER

Promoter