

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

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This 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 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 Company at Suite 208 – 333 Terminal Avenue, Vancouver, BC, V6A 4C1 or telephone 1-866-549-2743, and are also available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

**New Issue**

**March 11, 2024**



### HYBRID POWER SOLUTIONS INC.

**\$20,000,000**  
**Common Shares**  
**Warrants**  
**Subscription Receipts**  
**Units**  
**Debt Securities**

Hybrid Power Solutions Inc. (the “**Company**” or “**HPS**”), may offer and sell, from time to time, common shares of the Company (“**Common Shares**”), warrants to purchase Common Shares (“**Warrants**”), subscription receipts (“**Subscription Receipts**”) or units (“**Units**”) comprised of one or more of any of the other securities described herein, or debt securities (“**Debt Securities**”), and all of the foregoing collectively, the “**Securities**”), or any combination thereof for aggregate gross proceeds of up to \$20,000,000 in one or more transactions under this preliminary short form base shelf prospectus (the “**Prospectus**”). The Company may offer and sell the Securities during the 25 month period that this Prospectus, including any amendments hereto, remains effective.

This Prospectus provides a general description of the Securities that the Company may offer. The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in a prospectus supplement (a “**Prospectus Supplement**”) and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms of the offering; (ii) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency or the currency unit in which the exercise price must be paid and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the conversion of the

Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other terms specific to the Subscription Receipts; (iv) in the case of Units, the designation, number and terms of the Common Shares or Warrants comprising the Units; and (v) in the case of Debt Securities, the designation of the Debt Securities, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, the nature and priority of any security for the Debt Securities, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions, any arrangements with the trustee for the Debt Securities, and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters set forth in this Prospectus.

All shelf information permitted under applicable securities legislation 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. You should read both this Prospectus and the Prospectus Supplement, together with any additional information which is incorporated by reference into this Prospectus and the Prospectus Supplement. See *"Documents Incorporated by Reference"*. **This Prospectus may not be used to offer or sell securities without the Prospectus Supplement which includes a description of the method and terms of that offering.**

The Securities may be sold to or through underwriters, dealers or agents or directly to purchasers pursuant to applicable statutory exemptions. The Prospectus Supplement, which will be provided to purchasers each time the Company offers Securities, will set forth the names of any underwriters, dealers or agents involved in the sale of the Securities, and will include the plan of distribution for such Securities, including the proceeds to the Company and any applicable fee, commission or discount arrangements with any underwriters, dealers or agents. See *"Plan of Distribution"*.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See *"Plan of Distribution"*.

The Common Shares of the Company are listed and posted for trading on the Canadian Securities Exchange (the "CSE") under the symbol "HPSS", quoted on the OTC Pink market (the "OTC") under the symbol "HPSIF" and quoted on the Frankfurt Stock Exchange (the "FSE") under the symbol "E092". On March 8, 2024, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.40 per Common Share, on the OTC was US\$0.433945 per Common Share and on the FSE was €0.284 per Common Share. **Unless otherwise specified in the applicable Prospectus Supplement, Securities other than Common Shares will not be listed on any securities exchange. There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell the Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. See "Risk Factors".**

An investment in the Securities is highly speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Investors should carefully consider the risk factors described or incorporated by reference in this Prospectus before purchasing the Securities. Prospective investors are advised to consult their legal counsel and other professional advisors in order to assess income tax, legal and other aspects of the investment. See *"Cautionary Note Regarding Forward Looking Statements"* and *"Risk Factors"*.

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

The Company's head office is located at Suite 208 – 333 Terminal Avenue, Vancouver, BC, V6A 4C1, and its registered office is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to “we”, “us”, “our”, “HPS” or the “Company” refer to Hybrid Power Solutions Inc., either alone or together with its subsidiaries, as the context requires.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including any information incorporated by reference, contains statements that, to the extent that they are not historical fact, may constitute “forward-looking statements” within the meaning of applicable securities legislation.

Forward-looking statements may include, but are not limited to, statements with respect to:

- the total funds expected to be available to the Company, use of available funds and principal purposes of the Company;
- the Company’s business objectives and milestones and the target completion dates and costs associated with each objective, including expanding the Company’s franchise operation, opening a new distribution center and training facility in Northern Ontario, establishing a U.S. location and partnering with third party logistic services in the United States to expand and grow sales in the United States;
- the Company’s ability to add in-house expertise for its operations;
- the Company’s proposed product and service offerings, and product divisions, including expanding its franchise network of solar installation providers in Canada and the United States;
- the Company’s anticipated competition in the clean energy and portable battery market, including but not limited to, the ability to obtain qualified staff such as engineers and tech personnel;
- the Company’s proposed marketing plan and advertising methods such as tradeshow, partnership with major retailers, digital marketing efforts which includes paid advertising, original video content, live webinars, and online content collaborations;
- the Company’s ability to utilize industry-expertise, licensed and proprietary technology (such as patents, intellectual property and technical designs) to develop and manufacture its products and to form strategic partnerships with franchise solar installers;
- the Company’s business strategy, strength and focus;
- the Company’s target market including industrial, public sector, residential and recreational customers;
- future market conditions, including increased customer demand conditions, the expectation that portable battery packs and solar energy will continue to be a growing segment of the clean energy and technology movement;
- growth, trends and attitudes regarding portable battery packs and solar energy in Canada and increased reliance on fuel-free portable power products;
- the Company’s expectations regarding its revenue, expenses, production, operations, costs, cash flows and future growth;
- the Company’s anticipated cash needs and its needs for additional financing;
- conditions in the financial markets generally, and with respect to this Prospectus and any Prospectus Supplement, for small capitalization commercial/technology companies specifically;
- proposed expenditures under “*Use of Proceeds*”;
- the granting of regulatory approvals;
- the timing for receipt of regulatory approvals;
- projections of market prices and costs and the related sensitivity of distributions;
- treatment under governmental regulatory regimes and tax laws, and capital expenditure programs;
- expectations with respect to the Company’s future working capital position;
- capital expenditure programs;

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “project”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Such forward-looking statements, made as of the date hereof, reflect the Company's current views with respect to future events and are based on information currently available to the Company and are subject to and involve certain known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. These risks, uncertainties, assumptions and other factors should be considered carefully, and prospective investors and readers should not place undue reliance on the forward-looking statements.

These risks, uncertainties, assumptions and other factors include, but are not limited to: the risks and factors set out in this Prospectus and the documents incorporated by reference herein, including the risk factors set out under "*Risk Factors*"; risks posed by the limited operating and business history of the Company; the Company's inability to protect its intellectual property; risks associated with product errors or defects and manufacturing or design defects; unpredictability of contract procurement and contractual risks; operating risks and insurance coverage; risks regarding forward-looking statements; risks related to brand image, reputation and marketing initiatives and the Company's competitors; negative cash flows; decreased demand for the Company's products and demand for solar power; reliance of industry suppliers or manufacturers and access and cost of raw materials; loss of any critical personnel or management; and any risks associated with any offerings.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statements or information to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law including securities laws. 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 fact 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 statements or information.

#### **IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS**

Prospective investors should rely on only information contained in this Prospectus or incorporated by reference herein. The Company has not authorized anyone to provide different or additional information from that contained in this Prospectus. The distribution or possession of this Prospectus in or from certain jurisdictions may be restricted by law. This Prospectus is not an offer to sell the Securities and is not soliciting an offer to buy the Securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or of any sale of the Securities. The Company's business, financial condition, results of operations and prospects may have changed since that date.

**Information contained in this Prospectus should not be construed as legal, tax or financial advice and readers are urged to consult with their own professional advisors in connection therewith.**

#### **CURRENCY PRESENTATION**

Unless otherwise indicated, all references to monetary amounts in this Prospectus are denominated in Canadian dollars. The consolidated financial statements of the Company incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Unless otherwise indicated, all references to "\$" and "dollars" in this Prospectus refer to Canadian dollars. References to "US\$" in this Prospectus refer to United States dollars. On March 8, 2024, the daily exchange rate for one United States dollar expressed in Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = C\$1.3471 (or C\$1.00 = US\$0.7423).

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions in Canada.** Copies of the documents incorporated herein by reference may be obtained on request and without charge from the Company at Suite 208 – 333 Terminal Avenue, Vancouver, BC, V6A 4C1, or telephone 1-866-549-2743, and are also available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The filings of the Company through SEDAR+ are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents are specifically incorporated by reference into, and form an integral part of, this Prospectus:

1. Material change report dated December 4, 2023 with respect to the completion of the Company’s initial public offering to raise gross proceeds of \$4,911,800 that closed on December 1, 2023 and listing on the CSE.
2. The Company’s long form amended and restated prospectus for its initial public offering dated August 28, 2023, including amendment no. 1 dated September 13, 2023 and amendment no. 2 dated October 18, 2023 (the “**IPO Prospectus**”).
3. Interim consolidated financial statements of the Company for the six months ended November 30, 2023, together with the notes thereto, excluding the page entitled “Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements”, filed on January 29, 2024, and as refiled on February 23, 2024.
4. Management’s discussion and analysis of the Company for the six months ended November 30, 2023, dated January 29, 2024, and as amended on February 22, 2024 (the “**Interim MD&A**”).
5. Audited consolidated financial statements of the Company for the years ended May 31, 2023 and May 31, 2022, together with the notes thereto and the report of independent auditors thereon.
6. Management’s discussion and analysis of the Company for the year ended May 31, 2023 (the “**Annual MD&A**”).

A reference to this Prospectus includes a reference to any and all documents incorporated by reference in this Prospectus. Any document of the type referred to above (excluding confidential material change reports), the content of any news release disclosing financial information for a period more recent than the period for which financial statements are required and certain other disclosure documents as set forth in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators filed by the Company with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and prior to the termination of the offering under this Prospectus shall be deemed to be incorporated by reference in this Prospectus.

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

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the offering of Securities covered by that Prospectus Supplement.

This Prospectus incorporates by reference financial statements of the Company for the financial year ended May 31, 2022 which were included in the IPO Prospectus. Such financial statements include an auditor’s report that expresses a qualification of opinion relating to opening inventory. Item 3.3(1)(a)(i) of National Instrument 52-107 — *Acceptable Accounting Principles and Auditing Standards* (“**NI 52-107**”) requires that financial statements included in a long form prospectus be audited in accordance with Canadian Generally Accepted Auditing Standards and be accompanied by an auditor’s report that expresses an unmodified opinion. Pursuant to an application made to the British Columbia Securities Commission, as principal regulator, in connection with the IPO Prospectus, the Company obtained exemptive relief from Item 3.3(1)(a)(i) of NI 52-107 with respect to the inclusion of an auditor’s report that expresses a qualification of opinion relating to opening inventory relating to such financial statements. Such relief was evidenced by the issuance of a receipt for the IPO Prospectus.

## MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this Prospectus and before the termination of the distribution under the offering of Securities (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference into this Prospectus.

## THE COMPANY

The Company previously operated under the name HPSI Holdings Inc. (“**HPSI**”), which was originally incorporated as Hybrid Power Solutions Inc. on December 7, 2015 under the *Business Corporations Act* (Ontario) (“**OBCA**”). On June 13, 2022, HPSI continued its existence out of Ontario and into British Columbia under the *Business Corporations Act* (British Columbia) (“**BCBCA**”). The Company’s registered and records office is at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8, and its head office is at Suite 208 – 333 Terminal Avenue, Vancouver, BC, V6A 4C1.

HPSI’s former parent company, Hybrid Power Solutions Inc. (formerly, 2494760 Ontario Inc.) was incorporated under the OBCA on December 7, 2015. On July 22, 2022, it continued out of the jurisdiction of Ontario under the OBCA and into the jurisdiction of British Columbia under the BCBCA.

On July 22, 2022, HPSI and its former parent Hybrid Power Solutions Inc. (formerly, 2494760 Ontario Inc.) completed a vertical short-form amalgamation into a single corporate entity to form the Company under the BCBCA. In connection with the vertical amalgamation, HPSI changed its name to Hybrid Power Solutions Inc., which is the current name of the Company.

On March 17, 2022, HPS Solar Inc. (“**HPS Solar**”), a private company, was incorporated under the OBCA. HPS Solar is a wholly-owned subsidiary of the Company.

The chart below sets out the intercorporate relationship between the HPS Solar and the Company.

<b>Hybrid Power Solutions Inc.</b> (British Columbia)	
	100%
<b>HPS Solar Inc.</b> (Ontario)	

The Company’s Common Shares are listed for trading on the CSE under the symbol “HPSS”, quoted on the OTC under the symbol “HPSIF” and quoted on the FSE under the symbol “E092”.

The principal office of the Company is located at Suite 208 – 333 Terminal Avenue, Vancouver, BC, V6A 4C1. The Company’s registered and records office is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8. The Company’s phone number is 1-866-549-2743. The Company’s website is [www.hybridps.ca](http://www.hybridps.ca). Information contained on the Company’s website is not incorporated into this Prospectus.



## BUSINESS OF THE COMPANY

The Company specializes in developing, manufacturing and installing direct-to-consumer cleantech products. The Company has three main operational divisions: it (i) develops and produces portable residential and commercial battery products; (ii) operates a franchise network of solar power installers; and (iii) offers customized energy solutions for commercial scaled systems for a variety of industrial markets, including the mining, railway, public transit, and construction sectors.

The Company operates in one reportable segment being the manufacturing of portable lithium-ion battery systems (fuel-free generators) and customized energy solutions.

In August 2016, the Company began working on custom original equipment manufacturer (“OEM”) projects. As an OEM, the Company was engaged to complete research and development, prototyping, and manufacturing for customized energy solutions for third-party projects. See “*Business of the Company – Products and Services – Custom OEM Solutions*” in the IPO Prospectus.

In February 2017, the Company began designing and developing its proprietary portable power packs known as “Batt Packs”. Batt Packs are fuel-free, portable power packs capable of powering large tools and equipment similarly to gas or diesel generators but without the accompanying fuel, fumes, noise, or maintenance. By 2020, the Company had produced over 300 Batt Packs which were predominantly sold to the mining and transit industries. The Company also expanded the product line to include multiple add-ons and larger battery capacity models. As of the date of this Prospectus, portable power products represent approximately 60% of the Company’s revenue. See “*Business of the Company – Products and Services – Portable Power Packs: Batt Packs*” in the IPO Prospectus

In late 2020, the Company launched its line of residential solar products consisting of the Power Tower, an all-in-one solar inverter, which is compatible with PT5 and PT14 lithium batteries, which are batteries produced by the Company. These stationary energy storage units act like a residential scale power plant. These products were designed in collaboration with solar installers resulting in a solar and backup power system that is straightforward to install and operate. As of the date of this Prospectus, solar-related products represent approximately 39% of the Company’s revenue. See “*Business of the Company – Products and Services – Residential Solar: Power Tower*” in the IPO Prospectus.

In March 2022, the Company incorporated HPS Solar, a wholly-owned subsidiary dedicated to launching and scaling its residential solar installation franchise. HPS Solar utilizes the Company’s network of solar power installers and the solar products developed within that division of the Company’s business. See “*Business of the Company – Products and Services – Solar Installation Franchises*” in the IPO Prospectus.

See “*Description of Business*” in the IPO Prospectus for additional information on the distribution and commercialization of the Company’s product lines.

More detailed information regarding the business of the Company, its operations and its assets can be found in the IPO Prospectus, the Annual MD&A, the Interim MD&A and other documents which are incorporated by reference in this Prospectus. See “*Documents Incorporated by Reference*”.

## EARNINGS COVERAGE RATIO

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

## CONSOLIDATED CAPITALIZATION

Since as disclosed in its consolidated financial statements dated November 30, 2023, the Company's loan capital has changed such that the total amount outstanding as of the date hereof is \$1,267,887.

Other than as described above and under the heading "*Prior Sales*" below, there have been no material changes to the Company's share and loan capitalization since November 30, 2023, the date of the Company's most recently filed consolidated financial statements, which are incorporated by reference in this Prospectus.

### USE OF PROCEEDS

The net proceeds to the Company from any offering of Securities and the proposed use of those proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities. The Company had negative cash flow from operating activities in its most recently completed financial year for which financial statements have been included in this Prospectus. The extent to which the proceeds of distributions will be used to fund any anticipated operating expenses, as well as expansion, marketing and outreach, research and development activities, and repayment of secured debentures in future periods, will be set forth in the applicable Prospectus Supplement.

The business objectives and milestones as disclosed in the IPO Prospectus are updated as below:

Objective <sup>(1)</sup>	Target Date Anticipated in IPO Prospectus <sup>(1)</sup>	Target Date Anticipated as at Date Hereof <sup>(1)</sup>	Cost Projected in IPO Prospectus <sup>(1)(2)</sup>
<b>U.S Market Expansion</b>			<b>\$830,000</b>
Establish U.S.-based warehouse <sup>(3)</sup>	Q4 2023 – Q1 2024	Q3 2024	\$400,000
Establish relationship with 5 distributors across the U.S.	Q4 2023 – Q1 2024	Q2 2024	\$30,000
Launch Batt Pack product, BPP, in the U.S.	Q4 2023	Completed in Q1 2024	\$250,000
Launch Batt Pack product, BPE, in the U.S.	Q1 2024	Completed in Q1 2024	\$150,000
<b>Marketing and Outreach</b>	<b>Q4 2023</b>	<b>Q4 2023</b>	<b>\$1,436,376</b>
<b>Facility Expansion and Automation<sup>(4)</sup></b>			<b>\$470,000</b>
Completion of New Facility	Q4 2023	Q4 2024	\$250,000
Increase Testing Capacity	Q4 2023 -Q1 2024	Q3 2024	\$120,000
Production facilities buildout	Q4 2023- Q1 2024	Q1 2025	\$100,000
<b>Research and Development</b>			<b>\$250,000</b>
Development of next generation solar panels	Q3 2023 – Q2 2024	Q3 2024	\$100,000
Certification of Batt Packs	Q4 2023 – Q3 2024	Q3 2024	\$150,000
<b>Repayment of Secured Debentures</b>	<b>Q3 2024</b>	<b>Q3 2024</b>	<b>\$594,444<sup>(5)</sup></b>

**Notes:**

- (1) These objectives, costs and timelines reflect the Company's current expectations and are subject to a number of known and unknown risks, uncertainties and other factors which may cause the Issuer's actual results, performance or achievements to be materially different from the above short term objectives listed above. See "*Risk Factors*".

- (2) As at the date hereof, the Company estimates that the costs projected in the IPO Prospectus remain materially accurate, other than the revision set out in foot note (5) below. The Company continues to evaluate these costs on an ongoing basis with reference to prevailing market conditions and these costs remain subject to change.
- (3) The Company continues to seek an appropriate facility through which to establish a US-based warehouse for its products.
- (4) The variance in timing on facility expansion and automation between the IPO Prospectus and the date hereof is attributable to delays in construction of the New Facility, which delays impact the buildout of production facilities. See “*Risk Factors*”.
- (5) \$183,333 worth of the Secured Debentures were converted into common shares of the Company on December 5, 2023, and as a result \$183,333 of this amount is no longer repayable by the Company.

The Company intends to spend the net funds available to it as stated in this Prospectus. Notwithstanding the foregoing, there may be situations where, due to change of circumstance, outlook, research results and or business judgment, reallocation of funds is necessary in order for the Company to achieve its overall business objectives.

## **PLAN OF DISTRIBUTION**

### **General**

We may offer and sell the Securities, separately or together: (a) to one or more underwriters or dealers; (b) through one or more agents; or (c) directly to one or more other purchasers. The Securities offered pursuant to any Prospectus Supplement may be sold from time to time in one or more transactions at: (i) a fixed price or prices, which may be changed from time to time; (ii) market prices prevailing at the time of sale; (iii) prices related to such prevailing market prices; or (iv) other negotiated prices. We may only offer and sell the Securities pursuant to a Prospectus Supplement during the period that this Prospectus, including any amendments hereto, remains effective. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to us from such sale, any underwriting commissions or discounts and other items constituting underwriters’ compensation and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

### **By Underwriters**

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of underwriters to purchase the Securities will be subject to certain conditions, but the underwriters will be obligated to purchase all of the Securities offered by the Prospectus Supplement if any of such Securities are purchased. We may offer the Securities to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. We may agree to pay the underwriters a fee or commission for various services relating to the offering of any Securities. Any such fee or commission will be paid out of our general corporate funds. We may use underwriters with whom we have a material relationship. We will describe in the Prospectus Supplement, naming the underwriter, the nature of any such relationship.

### **By Dealers**

If dealers are used, and if so specified in the applicable Prospectus Supplement, we will sell such Securities to the dealers as principals. The dealers may then resell such Securities to the public at varying prices to be determined by such dealers at the time of resale. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time. We will set forth the names of the dealers and the terms of the transaction in the applicable Prospectus Supplement.

### **By Agents**

The Securities may also be sold through agents designated by us. Any agent involved will be named, and any fees or commissions payable by us to such agent will be set forth, in the applicable Prospectus Supplement. Any such fees

or commissions will be paid out of our general corporate funds. Unless otherwise indicated in the Prospectus Supplement, any agent will be acting on a best efforts basis for the period of its appointment.

### **Direct Sales**

Securities may also be sold directly by us at such prices and upon such terms as agreed to by us and the purchaser. In this case, no underwriters, dealers or agents would be involved in the offering.

### **General Information**

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

We may enter into derivative transactions with third parties, or sell securities not covered by this Prospectus to third parties in privately negotiated transactions. If the applicable Prospectus Supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this Prospectus and the applicable Prospectus Supplement, including in short sale transactions. If so, the third parties may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in such sale transactions will be identified in the applicable Prospectus Supplement.

One or more firms, referred to as “remarketing firms”, may also offer or sell the Securities, if the Prospectus Supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for us. These remarketing firms will offer or sell the Securities in accordance with the terms of the Securities. The Prospectus Supplement will identify any remarketing firm and the terms of its agreement, if any, with us and will describe the remarketing firm’s compensation. Remarketing firms may be deemed to be underwriters in connection with the Securities they remarket.

In connection with any offering of Securities, 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 may be commenced, interrupted or discontinued at any time.

## **DESCRIPTION OF COMMON SHARES**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value.

As at March 8, 2024, there were 73,019,915 Common Shares issued and outstanding. There are options outstanding to purchase up to 4,758,838 Common Shares at an exercise price of \$0.40. There are 837,500 restricted share units outstanding. There are Warrants outstanding to purchase up to 10,211,000 Common Shares at an exercise price of \$0.60. There are agent’s Warrants outstanding to purchase up to 1,330,366 Common Shares at exercise prices ranging from \$0.20 to \$0.60. There are Warrants underlying the agent’s Warrants outstanding to purchase up to 491,180 Common Shares at an exercise price of \$0.60. There are management warrants outstanding to purchase up to 9,000,000 Common Shares upon attainment of certain milestones, and there are other performance warrants outstanding to purchase up to 3,000,000 Common Shares upon attainment of certain milestones. There is a secured debenture outstanding convertible into up to 1,284,723 Common Shares.

Holders of Common Shares are entitled to one vote per Common Share at all meetings of shareholders, to receive dividends as and when declared by the Company’s board of directors and to receive a pro rata share of the assets of the Company available for distribution to the shareholders in the event of the liquidation, dissolution or winding-up of the Company. There are no pre-emptive, conversion or redemption rights attached to the Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a securityholder to contribute additional capital attached to the Common Shares

## DESCRIPTION OF WARRANTS

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants.

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

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces of British Columbia, Alberta, Newfoundland and Labrador, Ontario, Saskatchewan, and Manitoba, that it will not distribute Warrants that, according to their terms as described in the applicable Prospectus Supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in the applicable jurisdictions, unless such Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces of British Columbia, Alberta, Newfoundland and Labrador, Ontario, Saskatchewan, and Manitoba, where the Warrants will be distributed.

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

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

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

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

### Equity Warrants

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

- the designation and aggregate number of equity Warrants;

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

### **Debt Warrants**

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

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

- whether we have applied to list the debt Warrants or the underlying Debt Securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

Prior to the exercise of any Warrants, holders of such Warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including the right to receive payments of dividends or the right to vote such underlying securities.

### DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following description sets forth certain general terms and provisions of Subscription Receipts that may be issued hereunder and is not intended to be complete. Subscription Receipts may be issued at various times which will entitle holders thereof to receive, upon satisfaction of certain release conditions and for no additional consideration, Common Shares, Warrants, Units, Debt Securities or any combination thereof. The Subscription Receipts may be offered separately or together with other Securities, as the case may be. 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**”) that will be named in the relevant Prospectus Supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by the Escrow Agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction or event has occurred). If underwriters, dealers or agents are used in the sale of any Subscription Receipts, one or more of such underwriters, dealers or agents may also be a party to the Subscription Receipt Agreement governing the subscription receipts sold to or through such underwriter, dealer or agent.

The statements made in this Prospectus relating to any Subscription Receipt Agreement and Subscription Receipts to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the applicable Subscription Receipt Agreement. Purchasers of Subscription Receipts should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts. A copy of any Subscription Receipt Agreement relating to an offering of Subscription Receipts will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions and with the SEC after the Company has entered into it.

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

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

The particular terms of each issue of Subscription Receipts will be described in the related Prospectus Supplement. This description may include, but is not limited to, any of the following, if applicable:

- the designation and aggregate number of the Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;
- the designation, number and terms of the Common Shares, Warrants, Units, Debt Securities or any combination thereof to be received by the holders of the Subscription Receipts upon satisfaction of the release conditions, and any procedures that will result in the adjustment of those numbers;
- the identity of the Escrow Agent;
- the conditions (the "**Release Conditions**") that must be met in order for holders of the Subscription Receipts to receive, for no additional consideration, Common Shares, Warrants, Units, Debt Securities or any combination thereof;
- the procedures for the issuance and delivery of the Common Shares, Warrants, Units, Debt Securities or any combination thereof to holders of the Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of the Subscription Receipts upon delivery of the Common Shares, Warrants, Units, Debt Securities or any combination thereof upon satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of the Subscription Receipts, together with interest and income earned thereon (collectively, the "**Escrowed Funds**"), 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 and if the Subscription Receipts are sold to or through underwriters, dealers or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters, dealers or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of the Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of the Subscription Receipts in the event that 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;
- if the Subscription Receipts are issued as a Unit with another Security, the date, if any, on and after which the Subscription Receipts and the other Security will be separately transferable;
- 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, as registered securities or both;



- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Warrants, Units, Debt Securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether the Company will apply to list the Subscription Receipts on any securities exchange;
- the material United States and Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

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

The holders of Subscription Receipts will not be, and will not have the rights of, shareholders of the Company. Holders of Subscription Receipts are entitled only to receive Common Shares, Warrants, Units, Debt Securities or a combination thereof on exchange or conversion of their Subscription Receipts, plus any cash payments, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied.

#### *Escrow*

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the Subscription Receipts are sold to or through underwriters, dealers or agents, a portion of the Escrowed Funds may be released to such underwriters, dealers or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

#### *Modifications*

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

### **DESCRIPTION OF UNITS**

As of the date of this Prospectus, the Company has no Units outstanding. Each Unit would be issued so that the holder of the Unit is also the holder of each Security comprising the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each applicable Security. The specific terms and provisions that will apply to any Units that may be offered by us pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Units offered;
- the price or prices, if any, at which the Units will be issued;
- the manner of determining the offering price(s);
- the currency at which the Units will be offered;

- the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Units and the Securities comprising the Units are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Units or the Securities comprising the Units;
- any other rights, privileges, restrictions and conditions attaching to the Units or the Securities comprising the Units; and
- any other material terms or conditions of the Units or the Securities comprising the Units, including whether and under what circumstances the Securities comprising the Units may be held or transferred separately.

The terms and provisions of any Units offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

### DESCRIPTION OF DEBT SECURITIES

The following description sets forth certain general terms and provisions of Debt Securities that may be issued hereunder and is not intended to be complete. The particular terms and provisions of Debt Securities offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Debt Securities. Prospective investors should rely on information in the applicable Prospectus Supplement if it is different from the following information.

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

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

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

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

The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

#### General

The applicable Trust Indenture will not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue Debt Securities from time to time in one or more

series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured obligations of the Company.

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

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

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;
- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency units for which Debt Securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;
- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the Debt Securities will be issued as global securities (defined below) and, if so, the identity of the depositary (defined below) for the global securities;
- whether the Debt Securities will be issued as unregistered securities (with or without coupons), registered securities or both;

- the periods within which and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other securities of the Company;
- if applicable, any transfer restrictions in respect of disqualified holders or otherwise;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities.

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

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

Unless otherwise indicated in the applicable Prospectus Supplement, the Company may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

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

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

### **Ranking and Other Indebtedness**

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

The Board may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any security.

### **Registration of Debt Securities**

#### *Debt Securities in Book Entry Form*

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

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee ("**Participants**"). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

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

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

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

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

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

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

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

#### *Debt Securities in Certificated Form*

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

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

At the option of the holder of Debt Securities, registered securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable Prospectus Supplement, unregistered securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable Prospectus Supplement, unregistered securities will not be issued in exchange for registered securities.

The applicable Prospectus Supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

### PRIOR SALES

During the 12 months preceding the date of this Prospectus, the Company issued the following Common Shares and securities convertible or exchangeable for Common Shares.

<b>Date of issue or grant</b>	<b>Type of Securities</b>	<b>Number of Securities</b>	<b>Issue or Exercise Price of Security</b>	<b>Description of Transaction</b>
2023-01-16	Common Shares	3,187,500	N/A	Redemption of Restricted Share Units
2023-12-19	Restricted Share Units	100,000	N/A	Issuance under Equity Incentive Plan
2023-12-05	Common Shares	572,915 <sup>(1)</sup>	\$0.32	Conversion of Secured Debentures
2023-12-01	Common Shares	12,279,500	\$0.40	Prospectus Offering
2023-12-01	Warrants	6,139,750 <sup>(2)</sup>	\$0.60	Prospectus Offering
2023-12-01	Agent's Units	982,360 <sup>(3)</sup>	\$0.40	Prospectus Offering
2023-11-29	Options	4,758,838 <sup>(4)</sup>	\$0.40	Issuance under Equity Incentive Plan
2023-11-29	Restricted Share Units	3,925,000	N/A	Issuance under Equity Incentive Plan
2023-11-29	Common Shares	16,425,000 <sup>(5)</sup>	See note 5	Conversion of Convertible Debentures
2023-11-29	Common Shares	8,142,500 <sup>(6)</sup>	See note 6	Conversion of Convertible Debentures

<b>Date of issue or grant</b>	<b>Type of Securities</b>	<b>Number of Securities</b>	<b>Issue or Exercise Price of Security</b>	<b>Description of Transaction</b>
2023-11-29	Warrants	4,071,250 <sup>(6)</sup>	See note 6	Conversion of Convertible Debentures
2023-08-18	Secured Debentures	1,857,638 <sup>(7)</sup>	\$0.32	Private Placement
2023-04-03	Performance Warrants	3,000,000 <sup>(8)</sup>	\$0.000001	Performance based Compensation
2023-04-03	Management Performance Warrants	9,000,000 <sup>(9)</sup>	\$0.000001	Performance based Compensation
2023-03-24	Common Shares	4,087,333	\$0.30	Private Placement
2023-03-24	Warrants	89,166 <sup>(10)</sup>	\$0.30	Private Placement

**Notes:**

- (1) A portion of the secured debentures issued on August 18, 2023 were converted into Common Shares. See “*Description of the Business - History*” and “*Disclosure of Outstanding Security Data*” in the IPO Prospectus.
- (2) Each Warrant is exercisable for one Common Share at \$0.60 until December 1, 2025.
- (3) Each agent’s unit is exercisable for one Common Shares and one-half of one Common Share purchase warrant at \$0.40 until December 1, 2025. Each full warrant entitles the holder to purchase one additional Common Shares until December 1, 2025.
- (4) Options were issued pursuant to the Company’s omnibus equity incentive plan at an exercise price of \$0.40 with an expiry date of November 29, 2028.
- (5) Convertible debentures of the Company previously issued on July 27, 2022 were automatically converted into 16,425,000 Common Shares. These 16,425,000 Common Shares are subject to resale restrictions such that 25% of these Common Shares were released on November 29, 2023, 25% will be released on May 29, 2024, 25% will be released on November 29, 2024, and the remaining 25% on May 29, 2025.
- (6) Convertible debentures of the Company previously issued on August 19, 2022, were automatically converted into 8,142,500 Common Shares and 4,071,250 warrants (each a “**Debenture Warrant**”) Each Debenture Warrant entitles the holder to acquire one additional Common Share at a price of \$0.60 per Common Share until November 29, 2025, subject to acceleration. These 8,142,500 Common Shares and 4,071,250 Debenture Warrants are subject to resale restrictions such that 10% of these securities were released on November 29, 2023, 40% will be released on March 29, 2024, and the remaining 50% on May 29, 2024.
- (7) The Secured Debentures are convertible into up to 1,857,638 Common Shares at a price of \$0.32 per share for so long as the indebtedness remains outstanding under the Secured Debenture (as defined and further described in the IPO Prospectus). See “*Description of the Business - History*” and “*Disclosure of Outstanding Security Data*” in the IPO Prospectus.
- (8) The performance warrants will vest and are exercisable into Common Shares at a price of \$0.000001 upon the Company raising an aggregate of \$5,000,000 through equity or debt financings prior to November 29, 2025. See “*Disclosure of Outstanding Security Data*” in the IPO Prospectus.
- (9) The management performance warrants are exercisable into Common Shares at a price of \$0.000001 upon attainment of the certain milestones. See “*Disclosure of Outstanding Security Data*” in the IPO Prospectus.
- (10) Each Warrant is exercisable for one Common Share at \$0.30 until March 24, 2025.



## TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the CSE under the symbol “HPSS”, quoted on the OTC under the symbol “HPSIF” and quoted on the FSE under the symbol “E092”. The following table sets forth the price range and volume of trading of the Common Shares on the CSE during the 12 months preceding the date of this Prospectus.

<b>CSE</b>			
(prices in Canadian dollars)			
<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
March 1, 2024 to March 8, 2024	\$0.41	\$0.39	1,065,044
February 2024	\$0.47	\$0.37	2,379,339
January 2024	\$0.64	\$0.39	2,771,015
December 2023 <sup>(1)</sup>	\$0.63	\$0.36	4,808,238
November 2023	nil	nil	nil
October 2023	nil	nil	nil
September 2023	nil	nil	nil
August 2023	nil	nil	nil
July 2023	nil	nil	nil
June 2023	nil	nil	nil
May 2023	nil	nil	nil
April 2023	nil	nil	nil
March 2023	nil	nil	nil

**Note:**

(1) The Company’s Common Shares were listed on the CSE as of November 29, 2023 and began trading on the CSE effective as of December 4, 2023.

On March 8, 2024, the last reported sale price of the Common Shares on the CSE was \$0.40 per Common Share.

## RISK FACTORS

An investment in the Securities of the Company should be considered highly speculative and involves certain risks. When evaluating the Company and its business, investors should carefully consider all of the information disclosed in this Prospectus and the Company’s profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca), as well as the risks described below, and in the documents incorporated by reference in this Prospectus, including the risks identified and discussed under the heading “*Risk Factors*” in the IPO Prospectus, which are incorporated by reference herein.

There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the IPO Prospectus actually occur, then the Company’s business, financial condition and operating results could be adversely affected.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company is unaware of or that are currently deemed immaterial, may also adversely affect the Company and its business. Investors should consult with their professional advisors to assess any investment in the Company.

### Risks Related to the Business

#### *Limited Operating History*

The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no

assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered during these early stages of operations.

#### *Limited Business History*

The Company has not paid any dividends and it is unlikely that the Company will pay any dividends in the immediate or foreseeable future. The success of the Company will depend entirely on the expertise, ability, judgment, discretion, integrity and good faith of its management.

The Company has limited financial resources and there is no assurance that additional funding will be available to the Company for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such an event, the probability of a profitable resale of the Common Shares would be diminished.

#### *Research and Development Activities*

It is important for the Company to continue to invest steadily in research and development. However, because the Company will compete in a constantly evolving market, it may pursue research and development projects that do not result in viable commercial products. Any failure to translate research and development expenditures into successful new product introductions could have an adverse effect on the Company's business.

#### *Technical Risks*

Technical risks are inherent in the development process, in that an immature technology could present unexpected challenges that exceed the planned time or money to overcome. There can be no guarantee that the Company will be able to overcome technical risks.

#### *Inability to Protect Intellectual Property*

The Company owns certain material intellectual property which is not yet registered. The Company may file patent, trademark and copyright applications in the United States, Canada and in other foreign countries as part of its strategy to protect its intellectual property. However, these registrations may provide only limited protection of the Company's intellectual property.

The Company considers its rights to its products, know-how and trade secrets, to represent a significant portion of its net assets. The Company has, therefore, utilized a combination of security measures, confidentiality policies, contractual arrangements to protect its proprietary formulations and other valuable trade secrets. The Company may be unable to obtain registrations for its intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. There can be no assurances that any steps taken by the Company to protect its intellectual property will be adequate to prevent misappropriation or independent third-party development of the Company's intellectual property.

#### *Product Errors or Defects*

Errors or defects in the Company's products could result in losses to the Company's customers or users. The Company's customers and users may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Furthermore, a customer or user could share information about bad experiences on social media, which could result in damage to the Company's reputation and loss of future revenue.

There can be no assurance that any actions we take in an attempt to limit the Company's exposure to claims would work as expected or be adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of the Company's customers or users would likely be time-consuming and costly to defend.

#### *Manufacture or Design Defects*

Our products may contain defects in design and manufacture that may cause them not to perform as expected or that may require repair. The Company offers a six-month commercial warranty or twelve-month standard warranty. The Company also offers a two year or 500 cycle warranty on its batteries, whichever comes first.

#### *Construction of New Facility*

The Company continues to carry out its construction plan for the New Facility. Facility expansion and automation, and building of new production facilities are material to the Company's success. The Company is subject to several risks in connection with the completion of construction of the New Facility, including the availability and performance of engineers and contractors, suppliers, and consultants, the availability of funding, and the receipt of required governmental approvals, licenses, and permits, and the projected timeline for construction, which could change due to delays of third parties outside of the Company's control. There can be no assurance that the current construction plan for the New Facility will be successfully completed on time, within budget and without design defect, that the necessary personnel and equipment will be available in a timely manner or on reasonable terms to complete the New Facility successfully or at all. Any of the foregoing factors could adversely impact the Company's operations, financial condition, and the price of the Company's Common Shares.

#### *Unpredictability of Contract Procurement*

The Company relies on the continued procurement of contracts to sustain its revenues. Significant fluctuations in the procurement of contracts may occur due to several factors, including decreased demand, supply chain deficiencies, unpredictability of the timing of development, and inability to find third party buyers in a timely manner, on favorable terms and conditions, or at all. If the Company does not obtain any projects or the amount of contracts decreases substantially, this would have a material adverse effect on the Company's profitability, results of operations and financial condition.

#### *Contractual Risk*

The Company is a party to various contracts, and it is always possible that the other contracting parties may not fully perform their obligations. Any dereliction of contractual duties could and may have a material adverse effect on the Company's ability to generate revenue.

#### *Operating Risk and Insurance Coverage*

The Company intends to obtain insurance to protect its assets, operations and employees. While the Company believes insurance coverage can adequately address all material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for all risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

#### *Additional Financing*

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its current business strategy. The Company intends to fund its business objectives by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations

in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. The Company will require additional financing to fund its operations until positive cash flow is achieved.

#### *Achieving our projected development goals in the announced and expected time frames*

From time to time, the Company sets goals for, and makes statements regarding, the expectations and timing of the accomplishment of certain objectives that are material to our success. The actual timing of these events can vary dramatically. If the Company fails to achieve one or more of these milestones as planned, there is a risk that the Company's operations, financial condition and the price of the Company's Common Shares could be materially adversely affected. In the past, following periods of volatility in the market price of public company securities, shareholders have often instituted class action securities litigation against those companies. There is a risk that the Company could be subject to such litigation.

#### *Brand Image, Reputation and Marketing Initiatives*

Any adverse publicity concerning marketing practices, market trends or consumer dissatisfaction relating directly to the Company or relating to the any of the clean energy industry as a whole may damage the Company's corporate reputation and brand image, undermine customer confidence and reduce long-term demand for its products.

The impact of adverse publicity on the Company's operations may be magnified due to the rapidly changing media environment. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative information about the Company, its brand(s) or products on social and digital media, whether valid or not, could seriously damage its brand(s) and reputation quickly, forcing the Company to actively respond to (and curtail to the extent possible) negative feedback received. If the Company is unable to manage its digital activities and interactions, its product sales, financial condition and operating results could be materially and adversely affected.

The success of the Company's sales and marketing initiatives and practices may be subject to risk, including uncertainties about consumer acceptance, current inventory levels and the ability to communicate key brand and corporate messages to digital audiences. The success of these initiatives is also subject to potential restrictions on product marketing via extensive government regulations and product specific policies. Furthermore, consumers and competitors may challenge certain marketing materials and practices by claiming, among other things, false and misleading advertising. A significant claim of judgement against the Company could result in monetary damages, and limit the Company's ability to maintain sales and marketing practices and negatively impact its profitability. Even if such a claim is unsuccessful or unwarranted, the negative publicity surrounding such assertions could negatively impact the Company's business operations.

#### *Competition*

The Company's primary competitors have greater substantial financial, marketing and production resources; the Company may not have access to such a wide breadth of resources and therefore it may be unsuccessful in competing against current and future competitors. These competitors have diversified portfolios and likely benefit from greater economies of scale due to their size and global manufacturing capabilities. The Company may also face competition from new and emerging businesses that may enter its existing or future markets.

Many of the Company's competitors and potential competitors have longer operating histories, greater brand recognition and loyalty, facilities devoted to research and development, a larger customer base as well as operations dedicated towards identifying consumer preferences, strong industry relationships with both customers and distributors, as well as significantly greater financial, sales, marketing, manufacturing, distribution, technical, and other resources than the Company has. As a result, they may be able to respond more quickly to customer requirements and devote greater resources towards price-based promotional activities better than the Company can. These competitors may also be able to adapt more quickly to new or emerging technologies and standards and may be able to deliver services that are comparable or superior to that of the Company's services at a far more reduced rate. Such

pressures may also restrict the Company's ability to increase prices in response to commodities such as ingredients and equipment, wages and other applicable cost increases. If the Company is unable to compete effectively, its financial condition and operating results may suffer.

#### *Negative Cash Flows from Operations*

For the fiscal year ended May 31, 2023, the Company sustained net losses from operations of \$2,854,198 and had negative cash flow from operating activities of \$2,985,539. The Company continues to have negative operating cash flow. It is possible the Company may have negative cash flow in any future period and as a result, the Company may need to use available cash, including proceeds from the Offering and any future financings to fund any such negative cash flow.

#### *Decreased Demand for the Company's Products*

Demand for the Company's products will depend on consumer preferences and how successfully the Company can predict, identify and interpret the preferences and habits of consumers, and to offer products that appeal to their preferences, including concerns regarding product attributes and ingredients at a competitive cost. If the Company does not accurately predict shifts in consumer preferences or fails to introduce new and improved product offerings, sales could decline. In addition, due to the immense competition within the industry, it is imperative the Company is able to offer an array of products that satisfy the broad spectrum of consumer preferences. If the Company fails to expand their product offerings successfully across product categories or is unable to rapidly develop products in faster growing and more profitable categories, demand for its products will decrease and profitability could suffer.

Additionally, the willingness of consumers to purchase portable battery products depends in part on local economic conditions. The Company must anticipate market trends and the price, performance and functionality requirements of current and potential future customers and must successfully adapt its product offerings to meet these requirements. Failure to do so will have a negative adverse effect on the Company.

There are well documented market trends which suggest demand from consumers shifting from basic to premium products. Customers interested in portable power products are looking for mobile power that is easy to use and maintain but offers the power and portability found in gas generators with the advantages offered by all electric systems. The residential solar market is looking for an easy to operate, attractive power system that can serve not only as a backup power system but also as a way to reduce power costs. While the Company's new products appear to address these demands, it is not possible to predict the level of success that these new products will have in the market. Failure to penetrate these markets in a successful and timely manner will have a negative adverse effect on the Company.

#### *Demand for Solar Power*

The Company may be adversely affected by volatile solar energy market and industry conditions, specifically the demand for the Company's products and services may decline. The solar energy market and industry may from time-to-time experience oversupply, which may adversely affect the Company. Oversupply conditions across the value chain can put pressure on average selling prices, resulting in lower revenue for many industry participants, including the Company. If the supply of solar systems grows faster than demand, demand and the average selling price for our products could be materially and adversely affected.

The solar power market is still at a relatively early stage of development and future demand for solar power products and services is uncertain. Market data for the solar power industry is not as readily available as for more established industries, where trends are more reliably assessed from data gathered over a longer period.

Many factors may affect the viability of solar power technology and the demand for solar power products, including:

- the cost-effectiveness, performance and reliability of solar power products and services, including the Company's solar power projects compared to conventional and other renewable energy sources and products and services;
- the availability of government subsidies and incentives to support the development of the solar power industry;

- the availability and cost of capital, including long-term debt and tax equity, for solar power projects;
- the success of other alternative energy technologies, such as wind power, hydroelectric power, geothermal power, and biomass fuel;
- fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil, gas and other fossil fuels;
- capital expenditures by end users of solar power products and services, which tend to decrease when the economy slows; and
- the availability of favorable regulation for solar power within the electric power industry and the broader energy industry.

If solar power technology is not suitable for widespread adoption or if sufficient demand for solar power products and services does not develop or takes longer to develop than anticipated, this may be a material adverse effect on the Company's profitability, results of operation and financial condition.

#### *Reliance on Industry Suppliers and Manufacturers*

In order to continue executing its business strategy, the Company will rely on third party suppliers to provide certain goods necessary to enable the Company to manufacture, package and distribute its products, in particular key raw materials and necessary packaging materials. The Company may be unable to arrange for the manufacture of its products in a timely fashion, or at all, if any of its suppliers should cease or interrupt production or otherwise fail to supply the Company, or if certain supply agreements are suspended, terminated or otherwise expire without renewal, the Company's activities and results could be materially adversely affected. The Company's ability to deliver according to market demands and contractual commitments depends significantly on obtaining a timely and adequate supply of materials, equipment components (when and if necessary), production capacity and other vital offerings and solutions on competitive terms.

#### *Access to and Cost of Raw Materials*

The Company is dependent on a sufficient supply of raw materials and any ingredients that are required to meet current and future customer demand for the Company's products. These materials are necessary for the commercial production of the Company's various product offerings. Variations in supply and demand of these materials at global or regional levels, weather conditions, regulatory changes, geopolitical events and pandemic outbreaks could substantially impact the price and availability of both, raw materials and materials needed to package the Company's products, which could result in loss of sales or claims against the Company as well as adversely affect its brand and reputation. Profitability of the Company is sensitive to fluctuations in wholesale prices of these raw materials as well as other factors such as energy, fuel, equipment, labour and shipping costs and other market conditions, all of which are external factors, beyond the Company's control.

#### *Unavailability of Processed Battery Materials Due to Trade Conflicts with China or the United States*

The availability of processed battery materials, which are essential to the production of the Company's products, could be adversely impacted by trade conflicts with China or the United States. These countries are significant suppliers of key materials used in the manufacturing of batteries, such as lithium, cobalt, nickel, and other essential metals. The global supply chain for these materials is intricate and interdependent, and any disruption in the trade relationships with these countries could significantly impact our ability to source these materials.

In the event of a trade war or escalating trade tensions with China or the United States, the affected countries may impose tariffs, quotas, or other restrictive trade measures on the import or export of processed battery materials. Such measures could result in higher costs, reduced availability, or delayed delivery of these critical materials, which may adversely affect our manufacturing capabilities, lead times, and overall product costs.

Additionally, trade conflicts may lead to the imposition of economic sanctions, embargoes, or other regulatory restrictions, which could further disrupt the global supply chain for processed battery materials. These disruptions could exacerbate existing supply constraints, decrease the Company's operational efficiency, and impede the Company's ability to meet customer demand for its products.

To mitigate this risk, the Company continually monitors international trade developments and assess potential impacts on its supply chain. The Company also endeavors to diversify its sourcing of processed battery materials to reduce its reliance on any single country or supplier. However, there can be no assurance that the Company will be able to effectively manage or mitigate the risks associated with trade conflicts or that its business, financial condition, or results of operations will not be materially and adversely affected by these risks.

*Loss of Critical Personnel, Specifically the Death of the Company's CEO and Founder*

The Company's success and future growth depend, in part, on the leadership, vision, and expertise of our key personnel, particularly the CEO and Founder, Mr. Byrne. The unexpected death or incapacitation of Mr. Byrne would result in the loss of his extensive industry knowledge, strategic vision, and deep understanding of the Company's business operations. This could create a significant leadership gap and operational disruption, which may adversely affect the Company's ability to execute its strategic plans, maintain a competitive position, and achieve its long-term objectives.

While the Company maintains key person insurance policies on Mr. Byrne, which may help mitigate the financial impact of such a loss, these policies cannot replace the contributions of Mr. Byrne and his business relationships. Mr. Byrne's passing could lead to uncertainty among the Company's employees, customers, and partners, potentially resulting in decreased employee morale, customer attrition, and weakened strategic partnerships.

In order to address this risk, the Company has a succession plan which includes the identification of potential internal and external candidates who possess the necessary skills and experience to assume leadership roles within the Company. However, there can be no assurance that a succession plan will be effective in maintaining continuity of leadership, preserving our strategic vision, or preventing any material adverse impact on our business, financial condition, or results of operations

*Dividends*

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

*Management*

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

*Management of Growth*

If the Company is unable to manage its continued growth successfully, it may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial. Condition, results of operations and prospects.

*Conflict of Interest*

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on Company's results of operations and financial condition.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

## **Risks Related to the Offering**

### *Risk of Investment*

An investment in the Securities, as well as the Company's prospects, is speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment. Investors should carefully consider the risk factors described in this Prospectus and under the heading "*Risk Factors*" in the IPO Prospectus. The risks described in this Prospectus and incorporated by reference herein are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described in this Prospectus or incorporated by reference herein actually occur, the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks in this Prospectus and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Company.

### *No Guarantee of a Positive Return in an Investment*

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

### *Price Volatility*

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in prices will not occur. 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 long term value of the Company.

### *Dilution*

Additional financing needed to continue funding the development and operation of the Company may require the issuance of additional securities of the Company. The issuance of additional securities and the exercise of Common Share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

### *Shareholder Rights*

Holders of Warrants will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if such a holder subsequently exercises its Warrants, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Company delivers Common Shares upon the exercise of a Warrant and, to a limited extent, under the conversion rate adjustments under the warrant indenture, if applicable.

### *The Warrants May Not be Listed for Trading*

There is currently no market through which the Securities, other than the Common Shares, may be sold and, unless



otherwise specified in the applicable Prospectus Supplement, none of the Warrants will be listed on any securities or stock exchange. As a consequence, purchasers may not be able to resell the Warrants purchased under this Prospectus and any Prospectus Supplement. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Securities, other than the Common Shares, will develop or, if developed, that any such market, including for the Common Shares, will be sustained.

*No Assurance of Active or Liquid Market*

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

There is no public market for the Warrants, Subscription Receipts, Units or Debt Securities and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of such Securities on any securities exchange. If the Warrants, Subscription Receipts, Units or Debt Securities are traded after their initial issue, they may trade at a discount from their initial offering prices depending on the market for similar securities and other factors including general economic conditions and the Company's financial condition.

*Unsecured Debt Securities*

The Company carries on some of its business through a corporate subsidiary, and a portion of its assets are held in a corporate subsidiary. Unless otherwise indicated in the applicable Prospectus Supplement, the Company's subsidiary will not have an obligation to pay amounts due pursuant to any Debt Securities or to make any funds available for payment on Debt Securities, whether by dividends, interest, loans, advances or other payments. In addition, the payment of dividends and the making of loans, advances and other payments to the Company by its subsidiary may be subject to statutory or contractual restrictions. Unless otherwise indicated in the applicable Prospectus Supplement, the indenture governing the Debt Securities is not expected to limit the Company's ability or the ability of its subsidiary to incur indebtedness. Unless otherwise indicated in the applicable Prospectus Supplement, such indebtedness of the Company's subsidiary would be structurally senior to the Debt Securities. As such, in the event of the liquidation of the subsidiary, the assets of the subsidiary would be used first to repay the obligations of the subsidiary, including indebtedness and trade payables, prior to being used by the Company to pay its indebtedness, including any Debt Securities. See "*Description of Debt Securities*".

*Effect of Changes in Interest Rates on Debt Securities*

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

*Effect of Fluctuations in Foreign Currency Markets on Debt Securities*

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

**LEGAL MATTERS**

Certain legal matters related to the Securities offered by this Prospectus will be passed upon by Morton Law LLP, with respect to matters of Canadian law, on behalf the Company.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is MNP LLP, Chartered Professional Accountants (“MNP”), of 1122 International Blvd, 6th Floor, Burlington, Ontario, L7L 6Z8. MNP is independent of the Company in accordance with the ethical requirements that are relevant to their audit of financial statements in Canada.

The Company’s Registrar and Transfer Agent for the Common Shares is Odyssey Trust Company of Suite 323, 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

## INTERESTS OF EXPERTS

MNP LLP are the auditors of the Company and have prepared an independent auditor’s report in respect of the audited financial statements of the Company for the years ended May 31, 2023 and May 31, 2022, which report is incorporated into this Prospectus.

As of the date of this Prospectus MNP LLP and the designated professional acting thereunder do not and are not expected to hold any beneficial interest, direct or indirect, in any securities or property of the Company or an Associate or Affiliate of the foregoing.

## PROMOTERS

Francois Renaud-Byrne, a director and the Chief Executive Officer of the Company, has been a Promoter of the Company since its incorporation. As at the date of this Prospectus, Mr. Renaud-Byrne beneficially owns, controls or directs, directly or indirectly: (i) 23,124,795 Common Shares representing approximately 33.26% of the current issued and outstanding Common Shares on a non-diluted basis; and (ii) 3,333,838 stock options, exercisable at \$0.40 until November 29, 2028. Since the incorporation of the Company, Mr. Renaud-Byrne has beneficially received an aggregate sum of \$317,382 in cash for his gross payroll. See also “*Executive Compensation*” in the IPO Prospectus. As of the date of this Prospectus, Mr. Renaud-Byrne has been granted 9,000,000 Management Performance Warrants exercisable into Common Shares at \$0.000001 per Common Share upon attainment of the following milestones: 3,000,000 Management Performance Warrants vest and are exercisable upon the Company generating \$5,000,000 in revenue prior to November 29, 2024; 3,000,000 Management Performance Warrants vest and are exercisable upon the Company generating \$10,000,000 in revenue prior to November 29, 2024; 3,000,000 Management Performance Warrants vest and are exercisable upon the Company generating \$30,000,000 in revenue prior to November 29, 2026. See “*Disclosure of Outstanding Security Data*” in the IPO Prospectus.

Alex McAulay, a director and the Chief Financial Officer of the Company, has been a Promoter of the Company since July 22, 2022. As at the date of this Prospectus, Mr. McAulay beneficially owns, controls or directs, directly or indirectly: (i) 447,672 Common Shares, representing approximately <1% of the current issued and outstanding Common Shares on a non-diluted basis; (ii) 250,000 stock options, exercisable at \$0.40 until November 29, 2028; and (iii) 187,500 Warrants, exercisable at a price of \$0.60 until November 29, 2025. See “*Executive Compensation*” – *Employment, Consulting and Management Agreements – Consulting Agreements*” in the IPO Prospectus for a summary of consulting fees paid by the Company to a consulting firm owned beneficially by Mr. McAulay.

The following companies were issued cease trade orders while Alex McAulay was acting as CFO:

- On May 3, 2021, a management cease trade order was issued against CBD Global Sciences Inc. (CSE: CBDN) for failing to file its audited financial statements and the related management's discussion and analysis for the fiscal year ended December 31, 2020. On July 23, 2021, the management cease trade order was revoked, and a cease trade order was issued against CBD Global for failing to file its audited and unaudited financial statements and related management's discussion and analysis for the fiscal year ended December 31, 2020 and the interim period ended March 31, 2021. On September 22, 2021, CBD Global sciences Inc. received a revocation letter from the ASC. On June 17, 2020, a cease trade order was issued against CBD Global for failing to file its audited financial statements for the year ended December 31, 2019 and the related management's discussion and analysis. The cease trade order was revoked on August 6, 2020 upon CBD Global making the required filings.

- On May 3, 2022, a management cease trade order was issued against Vegano Foods Inc. (CSE: VAGN) for failing to file its audited financial statements and the related management's discussion and analysis for the fiscal year ended December 31, 2021. On June 16, 2022, the cease trade order was revoked upon Vegano Foods Inc. making the required filings.
- On May 6, 2022, a failure-to-file cease trade order was issued against Comprehensive Healthcare Systems Inc. (TSXV:CHS) by the Alberta Securities Commission (“ASC”) and the Ontario Securities Commission (“OSC”) as a result of the Company not having filed, on or before May 2, 2022, the annual financial statements, annual management's discussion and analysis and certification of the annual filings for the year ended December 31, 2022. On May 19, 2022, Comprehensive Healthcare Systems Inc. received a revocation letter from the ASC and OSC upon making the required filings.

### STATUTORY EXEMPTIONS

The Company has received exemptive relief from the requirement in Section 3.3(1)(a)(i) of NI 52-107 that the auditor’s report accompanying its annual financial statements for the year ended May 31, 2023, incorporated by reference to this Prospectus (the “**2023 Financial Statements**”), express an unmodified opinion. The audit report accompanying the 2023 Financial Statements expresses a qualification relating to opening inventory as at June 1, 2021 and the effect of opening inventory on the results of operations and cash flow for the year ended May 31, 2022. The qualification was necessary because the Company’s auditors were appointed during the financial year ended May 31, 2022 and were thus unable to observe the counting of physical inventories at June 1, 2021 or satisfy themselves concerning those inventory quantities by alternative means.

### STATUTORY 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 be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable securities, including Warrants, Subscription Receipts and Debt Securities (“**Exercisable Securities**”), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, under the securities legislation of certain provinces, to the price at which the Exercisable Securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of this right of action for damages or consult with a legal advisor.

In addition, to the extent that the Company files a Prospectus Supplement to qualify the underlying Securities issuable upon conversion of any special warrants that we may issue in the future (“**Special Warrants**”), the Company will grant to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission will provide that if a holder of a Special Warrant who acquires Securities of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder’s exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the agent or Company, as the case may be, on the acquisition of the Special Warrant, and (c)

if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

## CERTIFICATE OF THE COMPANY

**Dated: March 11, 2024**

This preliminary short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplements(s) as required by the securities legislation in each of the provinces of British Columbia, Alberta, Newfoundland and Labrador, Ontario, Saskatchewan, and Manitoba.

*“Francois Renaud-Byrne”*

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Francois Renaud-Byrne  
Chief Executive Officer

*“Alex McAulay”*

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Alex McAulay  
Chief Financial Officer

On behalf of the board of directors of the Company

*“Paul Gorman”*

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Paul Gorman  
Director

*“Stephen Davidson”*

\_\_\_\_\_  
Stephen Davidson  
Director

## CERTIFICATE OF THE PROMOTER

**Dated: March 11, 2024**

This preliminary short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplements(s) as required by the securities legislation in each of the provinces of British Columbia, Alberta, Newfoundland and Labrador, Ontario, Saskatchewan, and Manitoba.

*“Francois Renaud-Byrne”*

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Francois Renaud-Byrne  
Promoter

*“Alex McAulay”*

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Alex McAulay  
Promoter