

EARLY WARNING REPORT

FORM 62-103F1

Required Disclosure under the Early Warning Requirements

This report is made pursuant to Part 3 of National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Report Issues.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares ("**Inventronics Shares**") in the capital of Inventronics Limited ("**Inventronics**")

Inventronics Limited
1420 Van Horne Avenue E
Brandon, Manitoba R7A 7B6

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Inventronics Shares are listed on the TSX Venture Exchange; however, the Transfer (as defined below) was completed pursuant to a tax deferred restructuring transaction (the "**Restructuring Transaction**") of the capital and assets of 1437891 Alberta Ltd. (the "**Transferor**") in accordance with the provisions of section 85 of the *Income Tax Act* (Alberta) (the "**ITA**").

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

2451320 Alberta Ltd. (the "**Transferee**")
2400, 525 – 8th Avenue SW
Calgary, Alberta T2P 1G1

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Effective September 8, 2022, the Transferor completed the Restructuring Transaction pursuant to which the Transferor transferred 868,750 Inventronics Shares representing 18.1% of the total issued and outstanding Inventronics Shares to the Transferee through a series of transactions completed on a tax-deferred basis (the "**Transfer**") under Section 85 of the ITA.

The Transferee is a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta). Prior to the Transfer, the Transferee held zero (0) Inventronics Shares representing 0% of the total issued and outstanding Inventronics Shares.

Prior to the Restructuring Transaction, Dan J. Stearne ("**Stearne**") was a shareholder of the Transferor holding 25% of the issued and outstanding common shares of the Transferor ("**Transferor Shares**"). The

Restructuring Transaction resulted in the cancellation of the Transferor Shares previously held by Stearne. As a result, Stearne no longer holds any shares or other securities in the Transferor and therefore has no beneficial interest in the remaining Inventronics Shares held by the Transferor. Stearne is also the President, Chief Executive Officer and a director of Inventronics.

Stearne is the sole director and officer and holds 100% of the outstanding voting equity shares of the Transferee. Following the completion of the Restructuring Transaction, Stearne now holds Inventronics Shares through his sole ownership of the Transferee. The Inventronics Shares transferred to the Transferee represent 25% of the aggregate Inventronics Shares held by the Transferor prior to the Restructuring Transaction.

The purpose of the Transfer was to transfer the Inventronics Shares on a tax-deferred basis such that Stearne has direct control over the Inventronics Shares in which he previously only had a beneficial interest in through his ownership of the Transferor Shares.

2.3 State the names of any joint actors.

Dan J. Stearne.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

The Transferee acquired an aggregate of 868,750 Inventronics Shares representing 18.1% of the total issued and outstanding Inventronics Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Item 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Restructuring Transaction, the Transferee held zero (0) Inventronics Shares representing 0% of the total issued and outstanding Inventronics Shares. Following completion of the Restructuring Transaction, the Transferee holds 868,750 Inventronics Shares representing approximately 18.1% of the total issued and outstanding Inventronics Shares.

Stearne is the sole director and officer of the Transferee and holds 100% of the outstanding voting equity shares of the Transferee.

3.5 State the designation and number or principal amount of securities and the acquiror's

securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1 and 3.4 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Stearne was previously a shareholder of the Transferor, holding 25% of the issued and outstanding Transferor Shares. Pursuant to a series of transactions forming part of the Restructuring Transaction, the Transferor Shares held by Stearne were cancelled and Stearne's holding company, the Transferee,

received 25% of the Inventronics Shares previously held by the Transferor. As a result of the Restructuring Transaction, Stearne no longer holds any shares or other securities in the Transferor and therefore has no beneficial interest in the remaining Inventronics Shares held by the Transferor.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See Item 4.1 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following: (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer; (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries; (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board; (e) a material change in the present capitalization or dividend policy of the reporting issuer; (f) a material change in the reporting issuer's business or corporate structure; (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company; (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace; (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada; (j) a solicitation of proxies from securityholders; (k) an action similar to any of those enumerated above.

The purpose of the Transfer was to transfer the Inventronics Shares on a tax-deferred basis such that Stearne has direct control over the Inventronics Shares in which he previously only had a beneficial interest in through his ownership of Transferor Shares.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in

loan agreements need not be included.

Not applicable.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

The Transfer was exempt from the requirements for a formal take-over bid under Section 4.2 of National Instrument 62-104 – *Take-Over Bids and Issuer Bids* ("NI 61-104") as the following conditions were satisfied:

- (a) purchases were made from not more than five persons in the aggregate,
- (b) the bid was not made generally to holders of Inventronics Shares,
- (c) the value of the consideration paid for the Inventronics Shares was not greater than 115% of the market price (as determined under NI 62-104) of the Inventronics Shares.

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Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 8th day of September, 2022.

2451320 ALBERTA LTD.

Per: (signed) "Dan J. Stearne"
Dan J. Stearne
President