

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

This short form prospectus has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this Prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

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. Unless otherwise specified in the applicable prospectus supplement, the securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered, sold or delivered in the United States or to or for the account or benefit of a "U.S. person" as defined in the regulations thereunder. Unless otherwise specified in the applicable prospectus supplement, this Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Investor Relations department of Baylin Technologies Inc. at 4711 Yonge Street, Suite 500, Toronto, Ontario, M2N 6K8, telephone 416-222-1888, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

November 16, 2017



BAYLIN TECHNOLOGIES INC.

\$100,000,000

Common Shares

Preferred Shares

Debt Securities

Subscription Receipts

Units

Warrants

We may, from time to time, offer and issue our common shares ("**Common Shares**"), our preferred shares of any series ("**Preferred Shares**"), our bonds, debentures, notes or other evidence of indebtedness of any kind, nature or description ("**Debt Securities**"), our warrants to purchase Common Shares or Debt Securities ("**Warrants**"), our subscription receipts ("**Subscription Receipts**"), units ("**Units**") comprised of one or more of any of the other securities described herein (all of the foregoing collectively, the "**Securities**" and individually a "**Security**") or any combination thereof for up to the aggregate gross proceeds of up to \$100,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering) during the 25 month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains in effect. Securities may be offered for sale separately or in combination with one or more other Securities, in amounts, at prices and on such terms as

we may determine from time to time depending upon our financing requirements, prevailing market conditions at the time of sale and other factors.

The specific terms of any offering of Securities will be set forth in one or more prospectus supplements, which will supplement this Prospectus, including where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the issue price (in the event the offering is a fixed price distribution), the manner of determining the issue price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms included therein; (ii) in the case of Preferred Shares, the number of Preferred Shares offered, the issue price (in the event the offering is a fixed price distribution), the manner of determining the issue price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms including the designation of the particular series of Preferred Shares, any voting rights, any dividend rate, any dividend payment dates, any terms for redemption or retraction and any exchange or conversion terms and any other specific terms; (iii) in the case of Debt Securities, the designation, aggregate principal amount and authorized denominations of the Debt Securities, any limit on the aggregate principal amount of the Debt Securities, the currency or currency unit for which the Debt Securities may be purchased, the issue price (at par, at a discount or at a premium), the issue and delivery date, the maturity date (including any provisions for the extension of a maturity date), the interest rate (either fixed or floating and, if floating, the method of determination thereof), the interest payment date(s), the provisions (if any) for subordination or seniority of the Debt Securities to other indebtedness, any redemption provisions, any repayment provisions, any terms entitling the holder to exchange or convert the Debt Securities into other securities and any other specific terms; (iv) in the case of Warrants, the number of Warrants offered, the designation, number and terms of the Common Shares, Preferred Shares or Debt Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are offered and any other specific terms; and (v) in the case of Subscription Receipts, the number of Subscription Receipts offered, the issue price (in the event the offering is a fixed price distribution), the manner of determining the issue price(s) (in the event the offering is a non-fixed price distribution), the terms and procedures for the exchange of the Subscription Receipts and any other specific terms. We may also include in a prospectus supplement specific terms pertaining to the Securities which are not within the options and parameters set forth in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more prospectus supplements that will be delivered to prospective purchasers together with this Prospectus. Each prospectus supplement will be deemed to be incorporated by reference into this Prospectus as of the date of the prospectus supplement and only for the purposes of the offering of Securities to which the prospectus supplement pertains.

You should be aware that the purchase of Securities may have tax consequences both in Canada and the United States. Tax consequences for investors who are resident in, or citizens of, the United States may not be fully described in the applicable prospectus supplement. You should read the tax discussion, if any, in the applicable prospectus supplement and consult with an independent tax advisor with respect to your particular circumstances.

All dollar amounts in this Prospectus are in Canadian dollars, unless otherwise indicated. See “Exchange Rate Data”.

Investing in the Securities involves significant risks. Prospective purchasers of the Securities should carefully consider the risk factors described under the heading “Risk Factors” in the Corporation’s Annual Information Form for the financial year ended December 31, 2016 and in this Prospectus and in documents incorporated by reference in this Prospectus.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests, including, for example, an equity or debt security, or a statistical measure of economic or financial performance (including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items).

Our outstanding Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “BYL”. The closing price of the Common Shares on the TSX on the last trading day prior to the date of this Prospectus was \$2.70. Any offering of Debt Securities, Preference Shares, Warrants or Subscription Receipts will be a new issue of securities with no established trading market. **Unless otherwise specified in the applicable prospectus supplement the Securities other than the Common Shares offered hereby will not be listed or posted for trading on any securities exchange. Unless otherwise specified in the applicable prospectus supplement, there is no market through which the Securities (other than the Common Shares) offered hereby may be sold and purchasers may not be able to resell the Securities (other than the Common Shares) offered hereby purchased under this Prospectus or any prospectus supplement. This may affect the pricing of Securities other than the Common Shares offered hereby in the secondary market (if any), the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors.”**

This Prospectus constitutes a public offering of Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. We may offer and sell Securities to or through one or more underwriters or dealers purchasing as principals or as agents designated by us from time to time and may also sell Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. Each prospectus supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities to which the prospectus supplement relates, and will also set forth the terms of the offering of such Securities including, to the extent applicable, any fees, discount or other remuneration payable to the underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event the offering is a fixed price distribution), the manner of determining the issue price(s) (in the event the offering is a non-fixed price distribution), the proceeds that we will receive and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or prices or at on a non-fixed price basis, Securities may be offered at

market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the Securities. See “Plan of Distribution”.

Subject to applicable securities legislation and except as set out in a prospectus supplement relating to a particular offering of Securities, in connection with any offering of Securities under this Prospectus, the underwriters, dealers or agents may over-allot or effect transactions intended to stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. These transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”.

Our registered office and principal place of business is located at 4711 Yonge Street, Suite 500, Toronto, Ontario, M2N 6K8.

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

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DEFINITIONS AND OTHER MATTERS

In this Prospectus and in any prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. Except as set forth under “**Description of Share Capital**”, “**Description of Preferred Shares**”, “**Description of Debt Securities**”, “**Description of Warrants**”, “**Description of Subscription Receipts**” and “**Description of Units**” and unless the context otherwise requires, all references in this Prospectus and any prospectus supplement to “**we**”, “**us**”, “**our**”, “**Baylin**” or “**the Corporation**” refer to Baylin Technologies Inc. and its consolidated subsidiary corporations.

FORWARD-LOOKING INFORMATION

Certain statements and other information included or incorporated by reference in this Prospectus or in any applicable prospectus supplement constitute forward-looking statements as defined under applicable securities legislation. All statements, other than statements of historical fact included or incorporated by reference in this Prospectus, which address activities, events or developments that we expect or anticipate may or will occur in the future, are forward-looking information. Forward-looking information typically contains statements with words such as “may”, “estimate”, “anticipate”, “believe”, “expect”, “plan”, “intend”, “target”, “project”, “forecast”, “outlook”, “focus”, “potential”, “should”, “could” or similar words suggesting future outcomes or outlook. Forward-looking information included or incorporated by reference in this Prospectus includes statements with respect to such things as anticipated financial performance, business prospects, strategies, market forces, commitments and technological developments.

The following discussion identifies certain factors, although not necessarily all factors, which could cause future outcomes to differ materially from those set forth in the forward-looking information. The risks and uncertainties that may affect our operations, performance, development, and the results of our businesses include, but are not limited to, the following factors:

- risks relating to our dependence on the success of our key customers;
- risks relating to receiving a significant portion of our revenue from a limited number of customers;
- risks relating to our dependence on design integration with our customers;
- risks relating to our dependence on maintaining our existing strategic relationships with customers and on forming new strategic relationships;
- risks relating to our ability to attract new customers due to our existing relationships with their competitors;
- risks relating to our dependence on our operating subsidiaries;
- risks relating to our failure to execute on our growth strategy;
- risks relating to our dependence on key personnel;
- risks relating to our ability to attract and retain qualified employees;
- risks relating to doing business in the antenna solutions industry, including our ability to respond to emerging technologies and evolving consumer trends in a timely and cost-effective manner;

- risks relating to rapid technological change in the global markets for our products and services;
- risks relating to significant competition in our industry;
- risks relating to adverse economic conditions;
- risks relating to our failure to develop new products;
- risks relating to the smaller scale of our operation in comparison to competitors;
- risks relating to our investment in research and development;
- risks relating to failure to invest in new business strategies and acquisitions successfully;
- risks relating to our failure to protect our intellectual property rights;
- risks relating to our failure to protect our customers' intellectual property;
- risks relating to our ability to meet our customers' orders due to the limited number of manufacturing locations;
- risks relating to the outsourcing of our plating and painting operations to third parties;
- risks relating to delays or slowdowns of our manufacturing facilities;
- risks relating to the likelihood of fluctuating results of operations;
- risks relating to historically decreasing selling prices of our products;
- risks relating to variations of our gross margin;
- risks relating to seasonality of our business;
- risks relating to environmental liabilities;
- risks relating to disruption of our business due to potential future acquisitions;
- risks relating to investment in new business strategies and acquisitions;
- risks relating to product liability and warranty;
- risks relating to doing business overseas, including foreign currency and interest rate fluctuations, economic instability and limitations on repatriation of earnings;
- risks relating to conditions in the Republic of Korea (“**South Korea**”), the Socialist Republic of Vietnam (“**Vietnam**”) and the People’s Republic of China (“**China**”), where our material subsidiaries carry on their business;
- risks relating to our use of chops in China;
- risks relating to exerting control over assets in China in the event of insolvency;
- risks relating to enforceability of judgments overseas;
- risks relating to the Corporation or its employees being involved in or accused of bribery or fraud;
- risks posed by negative operating cash flow;
- risks posed by natural disasters in the United States, Canada, China, Vietnam and South Korea;
- risks relating to volatility of the market price of the Common Shares;
- risks related to management's discretion in allocating the net proceeds from the Offering; and
- risks relating to influence by our principal shareholder (2385796 Ontario Inc., a corporation over which Baylin’s Chairman, Mr. Jeffrey C. Royer, exercises control and direction) (the “**Principal Shareholder**”).

Additional information on these and other risks, uncertainties and factors that could affect our operations or financial results are provided in our disclosure documents filed from time to time with the securities commission or similar regulatory authority in each of the provinces and territories of Canada which are incorporated by reference in this Prospectus. In particular, see “Risk Factors” on page 25 hereof, in the AIF (as defined herein) and under the heading “Financial Instruments and Risk Management” in the MD&A and Interim MD&A (as defined herein).

We caution investors that the foregoing list of factors and risks is not exhaustive. The effect of any one risk, uncertainty or factor on a particular forward-looking statement is uncertain because these factors may be independent and management’s future course of action would depend on our assessment of all information at that time. Although we believe the expectations conveyed by the forward-looking information are reasonable based on information available to us as of the date of this Prospectus or as of the date specified in the documents incorporated by reference into this Prospectus, as the case may be, we can give no assurances as to future results, levels of activity and achievements. New factors emerge from time to time, and it is not possible for management to predict all of these factors or to assess in advance the impact of each such factor on our 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 information.

You should not place undue reliance on the information contained in this Prospectus or incorporated by reference herein, as actual results achieved will vary from the information provided herein and the variations may be material. We make no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained or incorporated by reference herein are made as of the date of this Prospectus or as of the date specified in the documents incorporated by reference into this Prospectus, as the case may be, and, except as required by applicable law, we do not undertake any obligation to update publicly or to revise any forward-looking information, whether as a result of new information, future events or otherwise.

This cautionary statement qualifies all forward-looking information contained in this Prospectus or incorporated by reference herein.

MARKET AND INDUSTRY DATA

This Prospectus contains market and industry data obtained from a combination of third-party sources and the estimates of management. Although management believes that these third-party sources and management estimates are reliable, the accuracy and completeness of such data is not guaranteed and has not been verified by any independent sources. Market and industry data, including estimates and projections relating to size of market and market share, is inherently imprecise and cannot be verified due to limitations on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations inherent in any market research or other survey. Management's estimates are based on internal research, its knowledge of the relevant market and industry and extrapolations from third-party sources. While we are not aware of any misstatements regarding the market and industry data presented in this Prospectus, such data involve risks and uncertainties and are subject to change

based on various factors, including those factors discussed under “Forward-Looking Information” and “Risk Factors”.

CURRENCY PRESENTATION AND EXCHANGE RATE DATA

Effective January 1, 2017 the Corporation changed its presentation currency to Canadian dollars (\$) or CAD) from the United States dollar (USD). This change was considered advisable due to: (i) the Corporation’s shareholders are primarily Canadian-based, (ii) the Corporation is a TSX reporting entity with its share price quoted in CAD, the financial information was not explicitly converted from USD to CAD when reading our financial statements.

In accordance with the guidance in IAS 21, the effects of changes in foreign exchange rates and other IFRS, the Corporation has applied the presentation currency change retrospectively and translated all amounts for the December 31, 2016 consolidated statement of financial position into the new presentation currency using the exchange rate in effect at the date of the change. For the presentation currency change affecting the January 1, 2016 consolidated statement of financial position, as required by IFRS for change in accounting policy, all amounts were presented for comparative purposes in CAD using the exchange rate in accordance with IAS 21 guidance.

The balance sheets as at December 31, 2016 and January 1, 2016 presented in Canadian dollars to reflect the change in presentation currency are included in the Corporation’s Interim Financial Statements (as defined below) incorporated by reference in this Prospectus. The change in presentation currency did not result in a material impact on net income (loss) and cash flows for the three and nine months ended September 30, 2016, and for the years ended December 31, 2016 and December 31, 2015.

Unless otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars.

We disclose certain financial information contained or incorporated by reference in this Prospectus in U.S. dollars and Canadian dollars. The following table sets forth, for the periods indicated, the low, high, period-end and the daily average exchange rate or average noon rates, as applicable, published by the Bank of Canada. Such rates are set forth as Canadian dollars per US\$1.00. On November 15, 2017, the daily average exchange rate was US\$1.00 per \$1.28. The Corporation does not make any representation that Canadian dollars could have been converted into U.S. dollars at the rates shown or at any other rate.

	Three months ended September 30		Nine months ended September 30		Twelve Months ended December 31		
	2017 ⁽¹⁾	2016	2017 ⁽¹⁾	2016	2016	2015	2014
Low	1.21	1.28	1.21	1.25	1.25	1.17	1.06
High	1.30	1.32	1.37	1.46	1.46	1.40	1.16
Period-end	1.25	1.31	1.25	1.31	1.34	1.38	1.16
Average rate	1.25	1.31	1.31	1.32	1.32	1.28	1.10

Note:

- (1) As of May 1, 2017, the Bank of Canada ceased publishing a daily noon rate. It has transitioned to publishing a single daily indicative rate per currency pair at 4:30 pm, which is meant to broadly reflect the average exchange rate observable

throughout the Canadian business day, rather than at a single point in time. 2017 rates reflect the new calculation methodology of the Bank of Canada, while 2014, 2015 and 2016 rates reflect historically published noon rates.

IFRS AND NON-IFRS MEASURES

Our consolidated financial statements incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). To supplement its financial statements, the Corporation uses select non-IFRS measures to analyze performance. Non-IFRS measures used by the Corporation to analyze performance include: (i) “EBITDA” (operating income (loss) plus depreciation and amortization), (ii) “Adjusted EBITDA” (EBITDA plus non-recurring items), (iii) “Adjusted net income” (net income (loss) plus non-recurring items), (iv) “gross margin” (gross profit divided by revenue), (v) “net cash” (cash and cash equivalents minus [a] bank indebtedness minus [b] current portion of capital leases), (vi) “working capital” (current assets minus current liabilities), and (vii) “non-cash working capital” (working capital minus cash and cash equivalents).

Definitions of non-IFRS measures and a reconciliation of non-IFRS to IFRS measures related to the Corporation can be found under the headings “Non-GAAP Measures” in the Corporation’s MD&A and Interim MD&A.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with various securities commissions or similar regulatory authority in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Investor Relations department of Baylin at 4711 Yonge Street, Suite 500, Toronto, Ontario, M2N 6K8, telephone 416 222-1888, and are also available electronically at www.sedar.com.

The following documents of Baylin have been filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada and are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Annual Information Form of Baylin dated March 9, 2017 (the “**AIF**”) for the year ended December 31, 2016;
- (b) the audited consolidated financial statements of Baylin as at and for the years ended December 31, 2016 and December 31, 2015, together with the notes thereto and the report of PricewaterhouseCoopers LLP, Chartered Professional Accountants on the consolidated financial statements of Baylin as at and for the year ended December 31, 2016 (the “**Annual Financial Statements**”);
- (c) the management’s discussion and analysis of Baylin as at and for the year ended December 31, 2016 (“**MD&A**”);
- (d) the report of Kost Forer Gabbay & Kasierer, a Member of Ernst & Young Global, Certified Public Accountants, on the audited consolidated financial statements of Baylin as at and for the year ended December 31, 2015;

- (e) the management information circular of Baylin dated March 28, 2017 relating to the annual meeting of Shareholders held on May 9, 2017 (the “**2017 Circular**”);
- (f) the unaudited condensed consolidated interim financial statements of Baylin for the three and nine months ended September 30, 2017 and 2016 and the notes related thereto, except for the statement under Notice of Non-Reviewed Interim Condensed Consolidated Financial Statements (the “**Interim Financial Statements**”); and
- (g) the management’s discussion and analysis of results of operations and financial condition of Baylin for the three and nine months ended September 30, 2017 (the “**Interim MD&A**”).

Any documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (excluding material change reports filed on a confidential basis), interim financial statements (including any exhibits which contain updated earnings coverage calculations), annual financial statements and the auditors’ report thereon, management’s discussion and analysis of financial condition and results of operations, information circulars, annual information forms and business acquisition reports filed by us with the securities commission or similar regulatory authority in each of the provinces and territories of Canada subsequent to the date of this Prospectus and prior to the termination of any offering of Securities are deemed to be incorporated by reference in this Prospectus.

Upon a new annual information form and audited annual financial statements and related management’s discussion and analysis being filed by us with, and where required, accepted by, the securities commission or similar regulatory authority in each of the provinces and territories of Canada during the term of this Prospectus, the previous annual information form, the previous audited annual financial statements and related management’s discussion and analysis, all unaudited interim financial statements and related management’s discussion and analysis, material change reports and business acquisition reports filed prior to the commencement of our financial year in which the new annual information form and related audited annual financial statements and management’s discussion and analysis are filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and related management’s discussion and analysis being filed by us with the securities commission or similar regulatory authority in each of the provinces and territories of Canada during the term of this Prospectus, all interim financial statements and related management’s discussion and analysis filed prior to the new interim consolidated financial statements and related management’s discussion and analysis shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon a new information circular relating to an annual meeting of Shareholders being filed by us with the securities commission or similar regulatory authority in each of the provinces and territories of Canada during the term of this Prospectus, the information circular for the preceding annual meeting of Shareholders shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more prospectus supplements that will be delivered to prospective purchasers together with this Prospectus. A prospectus supplement containing the specific terms of any Securities offered thereunder and other information relating to such Securities will be delivered to prospective 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 the prospectus supplement and only for the purposes of the offering of the Securities to which the prospectus supplement pertains.

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

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any prospectus supplement. We have not authorized anyone to provide prospective investors with different or additional information. We are not making an offer of these Securities in any jurisdiction where the offer is not permitted by law. Prospective investors should not assume that the information contained in or incorporated by reference in this Prospectus or any prospectus supplement is accurate as of any date other than the date of the applicable document.

BAYLIN

General

Baylin was incorporated under the *Business Corporations Act* (Ontario) on September 24, 2013. Its head and registered office is located at 4711 Yonge Street, Suite 500, Toronto, Ontario M2N 6K8.

Businesses of Baylin

We are a global provider of innovative antenna solutions, with 39 years' experience in designing, producing and supplying antennas. We strive to meet our customers' wireless solution needs by being their trusted partner from initial design to production. Our antennas and shelf products are custom engineered to meet the specifications for our customers' mobile and networking and wireless infrastructure needs. Since establishing Galtronics Corporation Ltd.

("Galtronics") in 1978, our business has grown into an international platform with operations in North America and Asia.

We design and produce innovative antennas of high quality and design for our customers in the mobile, broadband and wireless infrastructure sectors. With over 900 employees (including over 100 engineers) and 102 patents filed in relation to our manufacturing processes; we are a world leader in antenna design and manufacturing, and the only antenna manufacturer with design capabilities in in-building and outdoor cellular, small cells, set-top boxes and mobile phones. The Corporation is positioned to benefit from the growth in mobile data demand, small cell deployment and network densification.

Our customers include most leading network phone carriers such as Verizon, AT&T, Bell, Rogers, Vodafone and Telstra, as well as end-users such as Samsung, Motorola, Crown Castle, American Tower, Arris, Greenwave, Cisco, Linksys, and DirecTV. We have production capacity of 250 million antennas per year across three manufacturing facilities in South Korea, China and Vietnam, being among the most technologically-advanced facilities in the world. To date, we have produced over one billion antennas and designed over 2,000 unique custom antennas.

Business Sectors

In the mobile sector, we work with our original equipment manufacturer ("OEM") customers to design and produce antennas that meet the technological and physical specifications and functionality of their mobile phones, smartphones and tablets. Our mobile antennas have evolved with technological advancements and changing trends and needs. In 2015 and 2016, the Corporation increased its market share in respect of its largest OEM customer, while adding three new OEM customers.

In the wireless networking sector, we work with our OEM customers to design and produce antennas that meet the technological and physical specifications and functionality of their Wi-Fi routers, set-top boxes, home networking devices and land mobile radio products. Our product offering for broadband devices includes device-specific antenna designs for Wi-Fi routers, devices for self-monitoring, analysis, reporting technology (smart) home connectivity, set-top boxes and land mobile radio products. In 2015 and 2016, the Corporation increased its market share by adding two new original design manufacturer ("ODM") customers.

In the wireless infrastructure sector, we work with our network carrier customers and other businesses to design and produce distributed antenna systems ("DAS") and small cell system antennas that support their wireless coverage and mobile data capacity requirements. Our product offering for wireless infrastructure includes our indoor DAS antennas, outdoor DAS antennas, stadium and small cell system antennas using single-input single-output and multiple-input multiple-output technology. Our key DAS antennas are approved by key network carriers. Our antennas are used in connection with cellular network systems.

Diversification

Since 2013, the Corporation has diversified its geographical sources of revenue, with less dependence on Asia. In 2016, the Corporation generated 80% of its revenue from Asia (92% in

2013) and 18% of its revenue from North America (4% in 2013). In addition, the Corporation has diversified its customer base. In 2016, the Corporation's mobile sector, wireless networking sector and wireless infrastructure sector represented 60%, 25% and 15% of its revenues, respectively. In 2013, the proportions were 80%, 17% and 3%, respectively. Further, today, the Corporation has four mobile device customers; whereas, in 2013, it only had one mobile device OEM customer.

Additional information with respect to the Corporation's business is provided in the AIF, which is incorporated by reference in this Prospectus.

Recent Developments

In August of 2015, Baylin notified their employees in the head office in Tiberias, Israel that Baylin had decided to relocate the head office from Israel to Toronto, Ontario, Canada. The Corporation completed the transition in March of 2016.

On August 29, 2016, Baylin provided notice that it had asked its auditor, Kost Forer Gabbay & Kasierer, Certified Public Accountants, a member firm of Ernst & Young Global ("E&Y Israel") to resign from office (during its term of appointment) effective August 9, 2016 and that PricewaterhouseCoopers LLP Chartered Professional Accountants ("PwC Canada") had agreed to act as the Corporation's auditor commencing August 9, 2016.

On June 12, 2017, the Corporation made the decision to cease operations at its engineering facility in Tiberias, Israel. Assets that were located in Tiberias, Israel have been transferred to other locations of the Corporation, primarily the new facility in Ottawa, Ontario as well as to the existing facilities in Vietnam and Tempe, Arizona. The Corporation took an impairment charge of \$191,000 in the three months ended June 30, 2017 for property and equipment that could not be transferred and for which the Corporation intends to dispose of. The property and equipment only has use in the Tiberias, Israel engineering facility thus the carrying value had exceeded fair value. The Corporation also expensed \$723,000 in the three months ended June 30, 2017 for property carrying costs and severance costs related to the closure

On August 1, 2017, Michael Wolfe was appointed as the new CFO of the Corporation.

On September 11, 2017, Galtronics Canada Ltd. was incorporated to undertake research and development activities; Baylin owns 49% of this entity.

On October 5, 2017, Baylin announced the completion of the transfer of assets from its Israel R&D facility to Ottawa, Canada as well several new strategic hires for the Canadian R&D team.

New Executive Officer Information

Michael Wolfe was appointed as the new Chief Financial Officer of the Corporation on July 31, 2017. Mr. Wolfe resides in Toronto, Ontario. During the last five (5) years, Mr. Wolfe has been the CFO of Baylin; a principal of The CFO Centre; the CFO of Masstech Group Inc.; the managing director of Spara Merchant Capital Corp.; and the general partner of VG Capital Partners.

Pursuant to Mr. Wolfe's employment agreement, he is entitled to a base salary of \$225,000, 12.45% of his base salary for medical and dental expenses, 5% of base salary for pension contributions, and he is eligible for an annual bonus of up to 25% of his base salary based on annual objectives that are set by the CEO and approved by the board of directors. Mr. Wolfe was also granted 200,000 stock options pursuant to the Corporation's stock option plan. There are no change of control provisions in Mr. Wolfe's employment agreement, however, he is entitled to six months' salary in lieu of notice if terminated by the Corporation for convenience; such pay in lieu of notice shall increase by one month per year of service up to a maximum of 12 months.

Mr. Wolfe has not been within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including Baylin) that, while he was acting in that capacity, or after he ceased to act in such capacity but resulting from an event that occurred while he was acting in such capacity, was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation in each case for a period of more than 30 consecutive days.

Except as set out below, Mr. Wolfe has not (i) as at the date of this Prospectus, nor has he been within 10 years before the date of this Prospectus, been a director or executive officer of any company (including Baylin) that, while he was acting in that capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; nor (ii) has he, within 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of Mr. Wolfe.

Mr. Wolfe was a director of Roll-Tite Inc. when a senior lender appointed a receiver in December 2008.

Mr. Wolfe was also director of Numatech Industries Inc. when the creditors enforced their security to realize on all of the assets of the company and its subsidiaries in July 2009.

Mr. Wolfe was an officer of Masstech Group Inc. until June 2015. In August 2015, Masstech Group Inc. filed an assignment under Section 49 of the *Bankruptcy and Insolvency Act* (Canada). The assets were acquired by Masstech Innovations Inc., a company owned by Covington Fund II Inc.

Mr. Wolfe has not been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Reconciliation of the Use of Proceeds from the 2016 Financing

On December 22, 2016, the Corporation completed a public offering of Common Shares which raised net proceeds of \$5,048,088 (the “December 2016 Offering”). The following table sets forth a comparison of the disclosure regarding the Corporation’s intended use of proceeds set out in the Corporation’s short form prospectus dated December 15, 2016 (the “December 2016 Prospectus”) in connection with the December 2016 Offering and the estimated use of proceeds as of the date of this Prospectus:

Research and development in respect of Baylin’s macro antennas	\$3,000,000	\$3,000,000 ⁽¹⁾
Capital expenditures	\$600,000	\$600,000 ⁽²⁾
Working capital and general corporate purposes	\$1,448,088	\$1,448,088 ⁽³⁾
Totals	\$5,048,088	\$5,048,088

Notes:

- (1) To the date of this Prospectus, the Corporation has spent approximately \$1,563,000 of the December 2016 Offering net proceeds on this item.
- (2) To the date of this Prospectus, the Corporation has spent approximately \$392,000 of the December 2016 Offering net proceeds on this item.
- (3) To the date of this Prospectus, the Corporation has not spent any of the December 2016 Offering net proceeds on this item.

CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Corporation, on a consolidated basis, since the date of the Annual Financial Statements, which are incorporated by reference in this Prospectus.

MARKET FOR SECURITIES

Our outstanding Common Shares are listed on the TSX under the symbol “BYL”.

Common Shares

The following table sets forth the high and low sale prices and the trading volumes for the Common Shares on a monthly basis as reported by the TSX for the twelve-month period preceding the date of this Prospectus:

	Price Range		Volume
	High (\$)	Low (\$)	
November 1 - 15, 2017	\$3.12	\$2.10	474,876
October 2017	\$2.10	\$1.90	30,300
September 2017	\$2.05	\$1.87	30,415
August 2017.....	\$2.12	\$1.87	66,189

July 2017.....	\$2.38	\$1.95	49,795
June 2017.....	\$2.40	\$2.10	172,022
May 2017.....	\$2.49	\$2.25	119,437
April 2017.....	\$2.35	\$1.95	183,641
March 2017.....	\$2.09	\$1.87	128,195
February 2017.....	\$2.30	\$2.00	101,307
January 2017.....	\$2.05	\$1.79	298,550
December 2016.....	\$2.17	\$2.00	53,176
November 2016.....	\$2.40	\$2.10	74,291

EARNINGS COVERAGE

If the Corporation offers any Debt Securities having a term to maturity in excess of one year, the prospectus supplement will include earnings coverage ratios giving effect to the issuance of such Debt Securities.

DESCRIPTION OF SHARE CAPITAL

In this section, “we”, “us”, “our”, “Baylin” or “the Corporation” refers only to Baylin Technologies Inc. and not any of our subsidiary corporations or partnerships or jointly held businesses. The following description of the terms of the Common Shares and Preferred Shares sets forth certain general terms and provisions of Common Shares and Preferred Shares in respect of which a prospectus supplement may be filed. Additional terms and provisions of Common Shares and Preferred Shares offered by any prospectus supplement will be described in the prospectus supplement filed in respect of the Common Shares or Preferred Shares. This summary does not purport to be complete and is subject to, and qualified by, reference to the terms of our articles, a copy of which has been filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada and is available electronically at www.sedar.com.

Common Shares and Preferred Shares may be offered separately or in combination with one or more other Securities.

General

The Corporation’s authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series. As of the date of this Prospectus, 21,945,135 Common Shares and no preferred shares are issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive notice of, attend and vote at, meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote separately as a class or series). Each Common Share carries the right to one vote. Holders of Common Shares are entitled to receive any dividends declared by the Corporation in respect of the Common Shares, subject to the rights of the holders of other classes ranking in priority to the Common Shares with respect of the payment of dividends. In the event of the liquidation, dissolution or winding-up of the Corporation, holders of Common Shares are also

entitled to receive, on a pro rata basis, the remaining property and assets of the Corporation available for distribution after payment of all of its liabilities and subject to the rights of the holders of other classes ranking in priority to the Common Shares.

Preferred Shares

Preferred Shares will be issuable at any time and from time to time in one or more series. Each series of Preferred Shares shall consist of such number of shares and shall have such rights, privileges, restrictions and conditions as may be determined by the board of directors prior to the issuance thereof. Holders of Preferred Shares, except as otherwise provided in the terms specific to a series of Preferred Shares or as required by law, will not be entitled to vote at meetings of holders of Common Shares. The Preferred Shares of each series will rank on parity with the Preferred Shares of every other series and will be entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends and distribution of any property or assets in the event of the liquidation, dissolution or winding up of the Corporation. As of the date of this Prospectus, no Preferred Shares have been issued.

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of Debt Securities sets forth certain general terms and provisions of Debt Securities in respect of which a prospectus supplement may be filed. 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.

Debt Securities may be offered separately or in combination with one or more other Securities. Baylin may, from time to time, issue debt securities and incur additional indebtedness other than through the issuance of Debt Securities pursuant to this Prospectus.

The Debt Securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between Baylin 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 sets forth certain general terms and provisions of the Debt Securities and is not intended to be complete. The particular terms and provisions of the Debt Securities and a description of how the general terms and provisions described below may apply to the Debt Securities will be included in the applicable prospectus supplement. 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 us with the securities commission or similar regulatory authority in each of the provinces and territories of Canada after it has been entered into by us and will be available electronically at www.sedar.com.

General

The Corporation may issue Debt Securities, separately or together, with Common Shares, Preferred Shares, Warrants, Subscription Receipts or Units or any combination thereof, as the case may be. The Debt Securities will be issued under an indenture with a trustee to be named in a prospectus supplement. The Debt Securities may be issued from time to time in one or more series. We 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.

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:

- (a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (b) any limit upon the aggregate principal amount of such Debt Securities;
- (c) the currency or currency units for which such 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);
- (d) the issue price (at par, at a discount or at a premium) of such Debt Securities;
- (e) the date or dates on which such Debt Securities will be issued and delivered;
- (f) the date or dates on which such Debt Securities will mature, including any provision for the extension of a maturity date, or the method of determination of such date(s);
- (g) the rate or rates per annum (either fixed or floating) at which such Debt Securities will bear interest (if any) and, if floating, the method of determination of such rate;
- (h) the date or dates from which any such interest will accrue and on which such interest will be payable and the record date or dates for the payment of such interest, or the method of determination of such date(s);
- (i) if applicable, the provisions for subordination of such Debt Securities to other indebtedness of Baylin;
- (j) the Trustee under the Trust Indenture pursuant to which such Debt Securities are to be issued;
- (k) any redemption term or terms under which such Debt Securities may be terminated whether at or prior to maturity;
- (l) any repayment or sinking fund provisions;

- (m) any events of default applicable to such Debt Securities;
- (n) whether such Debt Securities are to be issued in registered form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (o) any exchange or conversion terms, including terms relating to the conversion of the Debt Securities into Common Shares or other securities of the Corporation, and any provisions for the adjustment thereof;
- (p) if applicable, the ability of Baylin to satisfy all or a portion of any redemption of such 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 Baylin or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- (q) the provisions applicable to the modification of the terms of the Trust Indenture; and
- (r) any other material terms or covenants applicable to such Debt Securities.

Baylin 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.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

To the extent any Debt Securities are convertible into other securities, prior to such conversion the holders of such Debt Securities will not have any of the rights of holders of the securities into which the Debt Securities are convertible, including the right to receive payments of dividends or the right to vote such underlying securities.

Ranking

The Debt Securities may be secured or unsecured obligations of Baylin. The Debt Securities will be senior or subordinated indebtedness of Baylin as described in the applicable prospectus supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other indebtedness of Baylin 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 Baylin as described in the applicable prospectus supplement, and they will rank equally and rateably with other subordinated indebtedness of Baylin from time to time issued and outstanding as described in the applicable prospectus supplement. We reserve 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.

We conduct a substantial portion of our operations through subsidiary corporations. The Debt Securities will be exclusively our obligations. Such subsidiary corporations will not guarantee the payment of principal of, or interest, if any, on, the Debt Securities. The Debt Securities will therefore be effectively subordinated to all existing and future liabilities (including trade payables and other indebtedness) of our subsidiary corporations.

Debt Securities may, at the option of the Corporation, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities”.

DESCRIPTION OF PREFERRED SHARES

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered pursuant to a prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such prospectus supplement. The following description and any description of Preferred Shares in the applicable prospectus supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the articles of the Corporation.

The Preferred Shares may at any time and from time to time be issued in one or more series. The Corporation’s board of directors is authorized to fix, before the issuance thereof, the number of Preferred Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of Baylin, any sinking fund or other provisions, the whole to be subject to the issuance of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of Baylin, whether voluntary or involuntary, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares. If any amount of cumulative dividends (whether or not declared) or declared non-cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preferred Shares of any series is not paid in full, the Preferred Shares of such series shall participate ratably with the Preferred Shares of every other series in respect of all such dividends and amounts.

Any prospectus supplement for Preferred Shares will set forth the terms and other information with respect to the Preferred Shares being offered thereby, including:

- (a) the offering price of the Preferred Shares;

- (b) the title and designation of number of shares of the series of Preferred Shares;
- (c) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or non-cumulative, and, if cumulative, the dates from which dividends will begin to accumulate;
- (d) any conversion or exchange features or rights;
- (e) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;
- (f) any liquidation rights;
- (g) any sinking fund provisions;
- (h) any voting rights;
- (i) whether the Preferred Shares will be issued in fully registered or “book-entry only” form;
- (j) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and
- (k) any other specific terms.

DESCRIPTION OF WARRANTS

The Corporation may issue Warrants, separately or together, with Common Shares, Preferred Shares, Subscription Receipts, Debt Securities or Units or any combination thereof, as the case may be. The Warrants will be issued under a separate Warrant agreement or indenture. A copy of the Warrant agreement or indenture relating to an offering of Warrants will be filed by the Corporation with securities regulatory authorities in Canada after it has been entered into by the Corporation. The following describes the general terms that will apply to any Warrants that may be offered by the Corporation pursuant to this Prospectus. The terms and provisions of any Warrants offered under a prospectus supplement may differ from the terms described below, and may not be subject to or contain any or all of the terms described below.

The specific terms and provisions of the Warrants, and the extent to which the general terms of the Warrants described in this Prospectus apply to those Warrants, will be set forth in the applicable prospectus supplement. This description will include, where applicable:

- (a) the number of Warrants offered;
- (b) the price or prices, if any, at which the Warrants will be issued;
- (c) the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution);

- (d) the currency at which the Warrants will be offered and in which the exercise price under the Warrants may be payable;
- (e) the securities for which the Warrants are exercisable;
- (f) conditions to the exercise of Warrants into securities, and the consequences of such conditions not being satisfied;
- (g) the number of securities that may be issued upon the exercise of each Warrant and the price per security or the aggregate principal amount, denominations and terms of the series of debt securities that may be issued upon exercise of the Warrant, and the events or conditions under which the amount of securities may be subject to adjustment;
- (h) the date on which the right to exercise such Warrants shall commence and the date on which such right shall expire;
- (i) the circumstances, if any, which will cause the Warrants to be deemed to be automatically exercised;
- (j) if applicable, the identity of the Warrant agent;
- (k) whether the Warrants will be listed on any securities exchange;
- (l) whether the Warrants will be issued with any other securities and, if so, the amount and terms of these securities;
- (m) any minimum or maximum subscription amount;
- (n) whether the Warrants 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;
- (o) any material risk factors relating to such Warrants and the securities to be issued upon exercise of the Warrants;
- (p) material Canadian federal income tax consequences of owning the Warrants and the securities to be issued upon exercise of the Warrants;
- (q) any other rights, privileges, restrictions and conditions attaching to the Warrants and the securities to be issued upon exercise of the Warrants; and
- (r) any other material terms or conditions of the Warrants and the securities to be issued upon exercise of the Warrants.

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 Corporation may issue Subscription Receipts, separately or together, with Common Shares, Preferred Shares, Warrants, Debt Securities or Units or any combination thereof, as the case may be. The Subscription Receipts will be issued under an agreement or indenture. A copy of the Subscription Receipts agreement or indenture relating to an offering of Subscription Receipts will be filed by the Corporation with securities regulatory authorities in Canada after it has been entered into by the Corporation. The following describes the general terms that will apply to any Subscription Receipts that may be offered by the Corporation pursuant to this Prospectus. The terms and provisions of any Subscription Receipts offered under a prospectus supplement may differ from the terms described below, and may not be subject to or contain any or all of the terms described below.

The specific terms and provisions of the Subscription Receipts, and the extent to which the general terms of the Subscription Receipts described in this Prospectus apply to those Subscription Receipts, will be set forth in the applicable prospectus supplement. This description will include, where applicable:

- (a) the number of Subscription Receipts offered;
- (b) the price or prices, if any, at which the Subscription Receipts will be issued;
- (c) the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution);
- (d) the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- (e) the securities into which the Subscription Receipts may be exchanged;
- (f) conditions to the exchange of Subscription Receipts into securities and the consequences of such conditions not being satisfied;
- (g) the number of securities that may be issued upon the exchange of each Subscription Receipt and the price per security or the aggregate principal amount, denominations and terms of the series of debt securities that may be issued upon exchange of the Subscription Receipts, and the events or conditions under which the amount of securities may be subject to adjustment;
- (h) the dates or periods during which the Subscription Receipts may be exchanged;
- (i) the circumstances, if any, which will cause the Subscription Receipts to be deemed to be automatically exchanged;

- (j) provisions applicable to any escrow of the gross or net proceeds from the sale of the Subscription Receipts plus any interest or income earned thereon, and for the release of such proceeds from such escrow;
- (k) if applicable, the identity of the Subscription Receipt agent;
- (l) whether the Subscription Receipts will be listed on any securities exchange;
- (m) whether the Subscription Receipts will be issued with any other securities and, if so, the amount and terms of these securities;
- (n) any minimum or maximum subscription amount;
- (o) whether the Subscription Receipts 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;
- (p) any material risk factors relating to such Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts;
- (q) material Canadian federal income tax consequences of owning the Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts;
- (r) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts; and
- (s) any other material terms or conditions of the Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts.

Prior to the exchange of any Subscription Receipts, holders of such Subscription Receipts will not have any of the rights of holders of the securities for which the Subscription Receipts may be exchanged, including the right to receive payments of dividends or the right to vote such underlying securities.

DESCRIPTION OF UNITS

The Corporation may issue Units, separately or together, with Common Shares, Preferred Shares, Debt Securities, Warrants or Subscription Receipts or any combination thereof, as the case may be. Each Unit will 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 Security. The following describes the general terms that will apply to any Units that may be offered by the Corporation pursuant to this Prospectus. The terms and provisions of any Units offered under a prospectus supplement may differ from the terms described below, and may not be subject to or contain any or all of the terms described below.

The specific terms and provisions of the Units, and the extent to which the general terms of the Units described in this Prospectus apply to those Units, will be set forth in the applicable prospectus supplement. This description will include, where applicable:

- (a) the number of Units offered;
- (b) the price or prices, if any, at which the Units will be issued;
- (c) the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution);
- (d) the currency at which the Units will be offered;
- (e) the securities comprising the Units;
- (f) whether the Units will be issued with any other securities and, if so, the amount and terms of these securities;
- (g) any minimum or maximum subscription amount;
- (h) 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;
- (i) any material risk factors relating to such Units or the Securities comprising the Units;
- (j) material Canadian federal income tax consequences of owning the Securities comprising the Units;
- (k) any other rights, privileges, restrictions and conditions attaching to the Units or the Securities comprising the Units; and
- (l) 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.

BOOK-ENTRY ONLY SECURITIES

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“**CDS Participants**”) in the depository service of CDS Clearing and Depository Services Inc. or a successor (collectively, “**CDS**”). Each of the underwriters, dealers or agents, as the case may be, named in a prospectus supplement will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a book-entry only offering, the Corporation may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities issued in book-entry-

only form or non-certificated form will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If the Corporation determines, or CDS notifies the Corporation in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Corporation is unable to locate a qualified successor, or if the Corporation at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

Transfer, Conversion or Redemption of Securities

Transfer of ownership, conversion or redemption of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Notices

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by the Corporation to CDS or its nominee, as the case may be, as the registered holder of the Security and the Corporation understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Corporation in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Corporation understands that under existing policies of CDS and industry practices, if the Corporation requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Corporation, any Trustee and CDS. Any holder that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

The Corporation, the underwriters, dealers or agents and any Trustee identified in a prospectus supplement, as applicable, will not have any liability or responsibility for: (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

DIVIDEND POLICY

The Corporation has not paid dividends to its shareholders to date and does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Corporation's current policy is to retain cash flows to finance the development and enhancement of its products and to otherwise invest in the Corporation's business.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable prospectus supplement may describe certain Canadian federal income tax consequences which may be applicable to a purchaser of Securities offered thereunder, and may also include a discussion of certain United States federal income tax consequences to the extent applicable.

USE OF PROCEEDS

The Corporation's current intended use of proceeds are for: (a) capital expenditures; and (b) working capital and general corporate purposes. The proposed capital expenditures include, but are not limited to, additional testing of equipment, software and computer systems to support the Corporation's ongoing research and development efforts. Based on the Corporation's working capital, as of the Interim Financial Statements, together with the expected positive EBITDA and cash flow from operations, the Corporation expects to be able to continue operations well beyond the next 12 month period.

Though there are currently no probable acquisitions by the Corporation, the Corporation anticipates canvassing the market for accretive acquisition opportunities. The Corporation is expanding its business into the base station antenna industry through internal research and

development, the acquisition of key people with relevant industry experience, and, if the opportunity arose, strategic acquisitions.

Specific information about our use of the net proceeds from an offering of Securities will depend on the size and type of offering and will be set forth in the prospectus supplement for that offering. We may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

PLAN OF DISTRIBUTION

We may offer and sell Securities to or through one or more underwriters or dealers purchasing as principals or as agents designated by us from time to time and may also sell Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents.

Each prospectus supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities to which the prospectus supplement relates. The prospectus supplement relating to a particular offering of Securities will also set forth the terms of the offering of the Securities including, to the extent applicable, any fees, discounts or other remuneration payable to the underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the issue price (in the event the offering is a fixed price distribution), the manner of determining the issue price(s) (in the event the offering is a non-fixed price distribution), the proceeds that we will receive and any other material terms of the plan of distribution.

Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the Securities. Without limiting the generality of the foregoing, we may also issue some or all of the Securities offered by this Prospectus in exchange for securities or assets of other entities which we may acquire in the future.

If so indicated in the applicable prospectus supplement, we may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Securities directly from us pursuant to contracts providing for payment and delivery on a future date. These contracts will be subject only to the conditions set forth in the applicable prospectus supplement or supplements, which will also set forth the commission payable for solicitation of these contracts.

Any offering of Debt Securities, Preferred Shares, Warrants or Subscription Receipts will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable prospectus supplement, Debt Securities, Preferred Shares, Warrants or Subscription Receipts will not be listed on any securities exchange. **Unless otherwise specified in the applicable prospectus supplement, there is no market through which the Debt Securities, Preferred Shares, Warrants or Subscription Receipts may be sold and purchasers may not be able to resell the Debt Securities, Preferred Shares, Warrants or Subscription Receipts**

purchased under this Prospectus or any prospectus supplement. This may affect the pricing of the Debt Securities, Preferred Shares or Subscription Receipts in the secondary market (if any), the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. Certain underwriters, dealers or agents may make a market in the Debt Securities, Preferred Shares, Warrants or Subscription Receipts, as applicable, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any underwriter, dealer or agent will make a market in the Debt Securities, Preferred Shares, Warrants or Subscription Receipts or as to the liquidity of the trading market, if any, for the Debt Securities, Preferred Shares, Warrants or Subscription Receipts.

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

Subject to applicable securities legislation and except as set out in a prospectus supplement relating to a particular offering of Securities, in connection with any offering of Securities under this Prospectus, the underwriters, dealers or agents may over-allot or effect transactions intended to stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. These transactions, if commenced, may be discontinued at any time.

Unless otherwise specified in the applicable prospectus supplement, the Securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended, or any state securities laws and may not be offered, sold or delivered in the United States or to or for the account or benefit of a “U.S. person” as defined in the regulations thereunder. Each underwriter, dealer and agent will agree, if required, that it will not offer, sell or deliver Securities within the United States or to or for the account or benefit of U.S. persons.

RISK FACTORS

Investment in the Securities is subject to various risks including those risks inherent to the industries in which we operate. Discussions of certain risk factors affecting us in connection with our businesses are provided in our disclosure documents filed from time to time with the securities commission or similar securities regulatory authority in each of the provinces and territories of Canada which are incorporated by reference in this Prospectus. In particular, see “Risk Factors” in the AIF and “Financial Instruments and Risk Management” in the MD&A.

Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated by reference herein, including the applicable prospectus supplement. There are certain risks inherent in an investment in the Securities, including the factors described under the heading “Risk Factors” in the AIF (pages 27 through 53), and any other risk factors described herein or in a document

incorporated by reference herein, which investors should carefully consider before investing. Additional risk factors relating to a specific offering of Securities will be described in the applicable prospectus supplement. Some of the factors described herein, in the documents incorporated by reference herein, and/or the applicable prospectus supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any of the risk factors described herein, in the AIF, in another document incorporated by reference herein or in the applicable prospectus supplement occur, it could have a material adverse effect on the business, financial condition and results of operations of the Corporation. Additional risks and uncertainties of which the Corporation currently is unaware or that are unknown or that it currently deems to be immaterial could have a material adverse effect on the Corporation's business, financial condition and results of operation. The Corporation cannot assure purchasers that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the risks described herein, in the AIF, in the other documents incorporated by reference herein or in the applicable prospectus supplement or other unforeseen risks.

If the custodians or authorized users of our corporate chops fail to fulfill their responsibilities or misappropriate or misuse these corporate instruments, our business and operations could be materially and adversely affected.

The chops of Galtronics Electronics (Wuxi) Co., Ltd. ("**Galtronics China**"), an indirect wholly-owned subsidiary of the Corporation, are essential to our ability to enter into contracts, conduct banking activities and undertake day-to-day corporate and business activities in China. Galtronics China uses four chops:

- **Company Chop.** The Company Chop is used by the General Manager of Galtronics China and is required for the daily operations of Galtronics China. It represents the "signature" of Galtronics China on documents such as contracts, purchase orders, supply orders, customs and import/export documents or employment agreements. Pursuant to Chinese laws and the policies of Galtronics China, it must be used in conjunction with an authorized signature, however, under Chinese laws, the use of the Company Chop alone may be sufficient to bind the Corporation.
- **Legal Representative Chop.** The Legal Representative Chop is evidence of the Legal Representative's signature and may be substituted by the Legal Representative's actual signature. Pursuant to Chinese laws, the person holding the Legal Representative Chop has the power to act on behalf of Galtronics China. In order to bind Galtronics China, this chop must be used in conjunction with the Company Chop.
- **Contract Chop.** The Contract Chop is used by the General Manager of Galtronics China as a substitute to the Company Chop on certain ordinary course agreements with customers and suppliers within the predetermined monetary authorization limit only. Pursuant to Chinese laws and the policies of Galtronics China, it must be used in conjunction with an authorized signature.
- **Finance Chop.** The Finance Chop is used on certain banking documents by the financial controller of Galtronics China. Pursuant to Chinese laws and the policies of Galtronics

China, it must be used in conjunction with an authorized signature and both are required to access the Galtronics China bank accounts.

In order to maintain the physical security of our chops, we store each chop separately in secured locations accessible only to authorized personnel, who are members of our senior management or custodians appointed by the Corporation. The Company Chop, the Legal Representative Chop, the Finance Chop and the Contract Chop of Galtronics China are stored in separate locked safe boxes on the premises of Galtronics China. Access to the Legal Representative Chop and the Company Chop is controlled by a custodian. We may also adopt other measures from time to time to protect our chops. Although we have appointed a custodian and have implemented internal control procedures and a formal policy to monitor the authorized personnel and the use of the chops, there is no assurance that such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our chops, we could experience significant disruption to our operations until our chops are replaced.

Under Chinese laws, in the event a chop is lost, stolen or misplaced, the Legal Representative will: (i) cause Galtronics China to publish an announcement of the loss of chops in designated newspapers; (ii) apply to the local Public Security Bureau for the carving of new chops; and (iii) carve the new chops at places designated by the Public Security Bureau. While we have procedures and recourse available to remedy any misuse or misappropriation of our chops, as the chop replacement process would take approximately five business days, there can be no assurance that there would be no adverse effect on our business, results of operations or financial condition due to such disruptions.

Following the Corporation's initial public offering (the "**IPO**") in November 2013, Norton Rose Fulbright LLP ("**Norton Rose**") was initially engaged as the custodian for the Legal Representative Chop and the Company Chop. Norton Rose's closest offices to Galtronics China's facilities in Wuxi, China were in Shanghai, which is two hours from Wuxi. Since Galtronics China required access to the Chops one to two times per day, seven days per week, as the custodial process was implemented, it became apparent that it would be impractical to store the Legal Representative Chop and the Company Chop at Norton Rose's offices in Shanghai. Following Q1 2014, Jiangsu Ruilai Law Firm (the "**Custodian**") was engaged to act as an agent of Norton Rose to maintain the chops in Wuxi, China and, subsequently, was appointed as custodian for the Legal Representative Chop and the Company Chop in May 2014 pursuant to a company stamp management agreement (the "**Custodian Agreement**"). In the event that the Custodian Agreement is terminated or in the event that the Corporation appoints a new custodian, the Corporation will issue a press release forthwith and file a material change report in accordance with applicable securities laws. In connection with the IPO, the Corporation agreed to appoint a reputable international custodian as long as reasonably required by the Ontario Securities Commission (the "**OSC**"), as principal regulator of the Corporation. Furthermore, as the Corporation and the Custodian continued to implement the logistics of the custodial process in the months following the IPO, it became impractical for the Corporation and the Custodian to store the Company Chop and the Legal Representative Chop off-site due concerns relating to loss of the chops during transportation thereof as the Custodian was required to attend the offices of Galtronics China with

the chops on at least a daily basis. The Legal Representative Chop and the Company Chop are, therefore, now stored in a safe (which is bolted to the floor) and the access code for which is in the sole possession of the Custodian. Although we have established a custodial process where management and the employees of Galtronics China do not have access to the Legal Representative Chop and the Company Chop without the Custodian being present in order to provide the same custody and safeguards as if the Company Chop and Legal Representative Chop were stored off-site, there is no assurance that such procedures will effectively prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our chops, we could experience significant disruption to our operations until our chops are replaced.

If, in particular, during any period we lose effective control of Galtronics China as a result of such misuse or misappropriation, the business activities and economic contribution of such entity could be severely disrupted and we may not be able to recover corporate assets that are sold or transferred out of our control in the event of such misappropriation and we may not have the financial resources to recover such assets or take appropriate legal action.

Since the IPO, the Corporation has made significant organizational changes and has transformed Galtronics China into a simple manufacturing facility, in part to address the concerns in relation to the Legal Representative Chop and the Company Chop and the fact that the Corporation had been unable to secure these chops in the manner it had initially contemplated at the time of the IPO. As a result of these changes, the function of the Corporation's personnel based in China is now almost exclusively to oversee manufacturing operations. Furthermore, the Corporation has operations in addition to Galtronics China. Since January 1, 2016, 37% of Galtronics' total revenue (based on location of invoicing and collection) is invoiced and collected through the bank accounts of Galtronics China and the remainder is invoiced and collected through one of Galtronics, Galtronics Korea or Galtronics Vietnam. Additionally, the Corporation is now established in Vietnam which will further diversify its location of revenue generation. Therefore, the Corporation expects to have the necessary financial resources to pursue the appropriate recourses to recover such corporate assets.

Finally, as part of the relocation of the Corporation's head office from Israel to Toronto, all financial functions of the Corporation, including its global cash management operations, are being managed in Canada, under the direction and supervision of the Vice President Finance and Treasurer and the Chief Financial Officer. From an operational standpoint, the international operations of the Corporation are, therefore, funded directly from Canada and the sales of Galtronics China are now equally split between direct customers of Galtronics China and inter-company sales to the legal entities that are directly interacting with the Corporation's customers. However, there is no assurance that such changes will protect the Corporation should there be instances of abuse or negligence of the chops. Misuse or misappropriation of the Company Chops could still result in significant disruption to our operations and could negatively impact the Corporation as a whole. The Corporation has provided an undertaking to each of the Securities Regulatory Authorities of the jurisdictions in which the Corporation is a reporting issuer that it will issue a press release forthwith and file a material change report in accordance with applicable securities laws in the event Galtronics China regains the significance it had to the Corporation at

the time of its initial public offering in November 2013, which shall occur, without limitation, upon: (i) a significant portion of the Corporation's cash balance being held in China at any given time; (ii) Galtronics China generating a majority of the Corporation's revenues; or (iii) the Corporation becoming dependent on Galtronics China for all or substantially all of its volume manufacturing requirements.

We have procedures in place with our banks in China such that no funds can be transferred with the use of the Finance Chop alone (as an authorized signature from either the Corporation's Chief Executive Officer or the General Manager of Galtronics China is also required). If we lose effective control of the Finance Chop, the Legal Representative will promptly notify the bank that the Finance Chop has been lost, misplaced or stolen and if one of the authorized signatories is implicated, that such individual is no longer an authorized signatory. In addition, the Corporation can assume control over the Galtronics China bank accounts through the combined use of the Company Chop and the Legal Representative Chop. Despite the foregoing, however, we may experience temporary delays in accessing our bank accounts in China. This risk is mitigated by the requirement for the signature of the Corporation's Chief Executive Officer or General Manager of Galtronics China in conjunction with the use of the Finance Chop in banking matters. Additionally, our external auditor may be unable to access documents and information from such entities that may be necessary to complete an audit of the consolidated financial statements of our company.

Difficulty in enforcement of judgments

The majority of our subsidiaries and the majority of our assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Corporation, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against the Corporation under Canadian securities laws or otherwise. In the year ended December 31, 2016, less than 50% of our cash and cash equivalents were held in Canada, with the balance held in China, Vietnam, US and South Korea.

The Corporation has subsidiaries incorporated in Israel, South Korea, China and Vietnam. It may not be possible for shareholders to effect service of process against the Corporation's officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of our officers for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law or other claims in original actions instituted in Israel, South Korea, the United States, China or Vietnam. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

No Market for the Securities

There is currently no trading market for any of the Securities (other than the Common Shares) that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, general economic conditions and the Corporation's financial condition, historic financial performance and future prospects.

EXEMPTIVE RELIEF

Pursuant to a decision granted by the Autorité des marchés financiers, the securities regulatory authority in the Province of Québec, on October 12, 2017, the Corporation has received a permanent exemption from the requirement to file a French language version of certain information contained in the 2017 Circular and a temporary exemption from the requirement to file a French language version of the documents incorporated by reference herein until the filing of the final Prospectus.

Pursuant to section 58(5) of the *Securities Act* (Ontario) (the "**Act**") and Part 19 of NI 41-101, the Corporation has applied for relief from the requirements under section 58(5) of the Act and section 5.11 of NI 41-101, which require a promoter of the Corporation to sign a certificate in this prospectus, as such requirements may apply to Mr. Jeffrey C. Royer. The Corporation has applied for such relief on the basis that, among other things: (i) the business of the Corporation was founded in 1978 and, under the management and strategic direction of its directors and officers over 38 years, it has gradually developed into its current state through organic growth and business maturation; (ii) Mr. Royer's involvement with the business has always been in his capacity as a director of Galtronics (since 1993), as co-chairman or chairman of the board of directors of Galtronics (since 2001) and as chairman of the board of directors of the Corporation since 2013; (iii) the Corporation's strategic directions, business plans and pursuit of the Offering are the result of the collective efforts of the Corporation's directors and officers; and (iv) Mr. Royer's control and direction over the Principal Shareholder, and through such interest, his ability to exercise control and direction over the Common Shares held by the Principal Shareholder are not germane to the determination of whether he is a promoter. The Corporation has been advised by the OSC that the issuance of a receipt by or on behalf of the applicable Canadian Securities Administrators by the OSC for this Prospectus will evidence the granting of this relief. In applying for and receiving such relief, neither the Corporation nor Mr. Royer admit that Mr. Royer is a promoter of the Corporation. The Corporation and Mr. Royer have provided an undertaking to each of the Securities Regulatory Authorities of the jurisdictions in which the Corporation is a reporting issuer that: (i) Mr. Royer will sign all prospectus supplements to the Prospectus in his capacity as a director of the Corporation; and (ii) other than dividends received as a shareholder of the Corporation or salary, fees and expenses received as an officer or director of the Corporation, Mr. Royer will not receive any proceeds from the offerings (either directly or indirectly through

2385796 Ontario Inc.) under any supplement to the Prospectus, unless such supplement is pre-cleared by the OSC.

LEGAL MATTERS

Unless otherwise specified in a prospectus supplement, certain legal matters in connection with the Securities offered hereby will be passed upon by Aird & Berlis LLP on behalf of the Corporation.

INTERESTS OF EXPERTS

Our auditor, PricewaterhouseCoopers LLP, Chartered Professional Accountants, has prepared an independent auditor's report dated March 9, 2017 in respect of the consolidated financial statements of the Corporation as at December 31, 2016 and for the year then ended. PricewaterhouseCoopers LLP has advised it is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The former auditor of the Corporation was Kost Forer Gabbay & Kasierer, a Member of Ernst & Young Global, Certified Public Accountants, who has prepared an independent auditor's report dated March 9, 2016 in respect of the consolidated financial statements of the Corporation as at December 31, 2015 and for the year then ended. Kost Forer Gabbay & Kasierer, a Member of Ernst & Young Global has advised that it is independent with respect to the Corporation within the meaning of the Certified Public Accountants of Israel.

As of the date hereof, Aird & Berlis LLP and its partners, employees or consultants beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

AUDITOR AND TRANSFER AGENT AND REGISTRAR

The Corporation's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 95 King Street South, Suite 201, Waterloo, Ontario, Canada N2J 5A2 and were appointed on August 9, 2016.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. located at its principal offices in Toronto, Ontario.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may 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, revision of the price or damages if the prospectus and any amendment thereto 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 adviser.

Original Canadian purchasers of Debt Securities, Warrants or Subscription Receipts which are convertible, exchangeable or exercisable into other securities of Baylin will have a contractual right of rescission against Baylin in respect of the conversion, exchange or exercise of such convertible, exchangeable or exercisable securities. The contractual right of rescission will entitle such original Canadian purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of Debt Securities, Warrants or Subscription Receipts that are convertible or exchangeable under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of Debt Securities, Warrants or Subscription Receipts that are convertible or exchangeable under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

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

CERTIFICATE OF BAYLIN TECHNOLOGIES INC.

Dated: November 16, 2017

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

“Randy L. Dewey”

RANDY L. DEWEY
President and Chief Executive Officer

“Michael Wolfe”

MICHAEL WOLFE
Chief Financial Officer

On behalf of the Board of Directors

“Jeffrey C. Royer”

JEFFREY C. ROYER

“Harold Wolkin”

HAROLD WOLKIN