

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated April 11, 2019 to which it relates, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws. These securities may not be offered or sold in the United States and this prospectus supplement together with the short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Pender Growth Fund Inc. at Suite 1640 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1, telephone: (604) 688-1511, and are also available electronically at www.sedar.com.

**PROSPECTUS SUPPLEMENT
(TO THE SHORT FORM BASE SHELF PROSPECTUS DATED APRIL 11, 2019)**

New Issue

May 6, 2019



PENDER GROWTH FUND INC.

**\$19,987,500 (Maximum)
Up to 5,125,000 Common Shares**

This prospectus supplement (the "**Prospectus Supplement**") of Pender Growth Fund Inc. (the "**Corporation**"), together with the short form base shelf prospectus dated April 11, 2019 to which it relates (the "**Prospectus**"), qualifies the distribution of up to 5,125,000 Class C participating common shares (the "**Offered Shares**") of the Corporation. The Offered Shares are being issued and sold by the Corporation on a "commercially reasonable efforts" basis at a price of \$3.90 per Offered Share (the "**Offering Price**") for aggregate gross proceeds to the Corporation of up to \$19,987,500 (the "**Offering**") pursuant to an agency agreement, dated May 6, 2019 (the "**Agency Agreement**") among the Corporation, PI Financial Inc. (the "**Lead Agent**"), as lead agent and bookrunner, and Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., (collectively with the Lead Agent, the "**Agents**" and each individually, an "**Agent**"). See "*Description of the Securities Being Distributed*".

Price: \$3.90 per Offered Share

	<u>Price to the Public⁽¹⁾</u>	<u>Agency Fee⁽²⁾⁽⁴⁾</u>	<u>Net Proceeds to the Corporation⁽³⁾⁽⁴⁾</u>
Per Offered Share.....	\$3.90	\$0.195	\$3.705
Total Maximum Offering ⁽⁵⁾	\$19,987,500	\$999,375	\$18,988,125

Notes:

- (1) The Offering Price has been determined by negotiations between the Corporation and the Lead Agent.
- (2) Pursuant to the Agency Agreement, the Corporation has agreed to pay to the Agents a fee representing 5.0% of the aggregate gross proceeds of the Offering (the "**Agency Fee**"). The Agents have agreed to reduce the Agency Fee to 2.25% in connection with the issuance of Offered Shares sold to purchasers introduced to the Offering by the Corporation (collectively, the "**President's List Purchasers**"). See "Plan of Distribution".
- (3) After deducting the Agency Fee but before deducting expenses of the Offering estimated to be \$355,700 (assuming the maximum amount of the Offering) which, together with the Agency Fee, will be paid from the proceeds of the Offering.
- (4) Assuming no President's List Purchasers participate in the Offering.
- (5) The Corporation has granted to the Agents an option (the "**Over-Allotment Option**") exercisable in whole or in part, to purchase up to an additional 768,750 Offered Shares (the "**Over-Allotment Shares**") at the Offering Price per Over-Allotment Share for a period of 30 days from and including the Closing Date (as defined below) to cover over allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the price to the public, the Agency Fee and net proceeds to the Corporation (prior to the deduction of the expenses of the Offering) will be \$22,985,625, \$1,149,281 and \$21,836,344, respectively, assuming no President's List Purchasers participate in the Offering. This Prospectus Supplement also qualifies the grant of the Over-Allotment Option and the distribution of the Over-

Allotment Shares to be issued upon exercise of the Over-Allotment Option. See "*Plan of Distribution*". Any purchaser who acquires securities forming part of the over-allocation position of the Agent pursuant to the Over-Allotment Option acquires such securities under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The following table sets forth details of the securities issuable under the Over-Allotment Option:

<u>Agent's Position</u>	<u>Maximum Number Of Available Securities</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Up to 768,750 Over-Allotment Shares	At any time up to 30 days from the Closing Date	\$3.90 Per Over-Allotment Share

Unless the context otherwise requires, references to "Offered Shares" in this Prospectus Supplement includes the Over-Allotment Shares.

The Class C participating common shares of the Corporation (the "**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "PTF". The closing price of the Common Shares on the TSXV on April 25, 2019, the last trading day completed prior to the announcement of the Offering, was \$3.90 and the closing price of the Common Shares on the TSXV on May 6, 2019, the last trading day completed prior to the filing of this Prospectus Supplement, was \$3.70. The Corporation has applied to list on the TSXV the Offered Shares qualified hereunder and the TSXV has conditionally approved the listing of such shares. The listing of the Offered Shares is subject to the Corporation fulfilling all of the listing requirements of the TSXV.

The Offering Price has been determined by negotiation between the Corporation and the Lead Agent.

An investment in the Offered Shares is highly speculative due to the nature of the Corporation's business. An investment in the Offered Shares should only be made by those persons who can afford the loss of their entire investment. The risk factors described in this Prospectus Supplement and the Prospectus, as well as the documents incorporated by reference herein and therein, should be carefully reviewed and considered by prospective investors in connection with an investment in the Offered Shares. See "Forward-Looking Statements" and "Risk Factors" in this Prospectus Supplement and the Prospectus, "Cautionary Note Regarding Forward-Looking Information" and "Risk Factors" in the AIF (as defined herein) and "Risk Factors" in the MD&A (as defined herein).

The Agents conditionally offer the Offered Shares for sale on a "commercially reasonable efforts" basis subject to the prior sale, if, as and when issued by the Corporation in accordance with the conditions of the Agency Agreement referred to under "*Plan of Distribution*".

There is no minimum amount of funds that must be raised under this Offering. This means that the Corporation could complete this Offering after raising only a small portion of the Offering amount set out above.

Subject to applicable laws, the Agents may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Closing is expected to take place on or about May 10, 2019, or such other date as may be agreed upon by the Corporation and the Lead Agent, but in any event not later than 90 days following the date of this Prospectus Supplement (such actual closing date hereinafter referred to as the "**Closing Date**").

Subscriptions for Offered Shares will be received by the Agents subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Global certificates or an instant deposit through the non-certificated inventory system representing the Offered Shares will be issued and deposited with CDS Clearing and Depository Services Inc. ("**CDS**"). A subscriber who purchases Offered Shares will receive only a customer confirmation from the registered dealer who is a CDS participant from or through whom Offered Shares are purchased. CDS will record the CDS participants who hold the Offered Shares on behalf of owners who

have purchased or transferred Offered Shares in accordance with the book entry only system of CDS. Physical certificates evidencing Offered Shares will not be issued except in limited circumstance and unless a request for a certificate is made to the Corporation.

Prospective investors should be aware that the acquisition, holding or disposition of the Offered Shares may have tax consequences. Such consequences for investors are not discussed herein. Prospective investors are encouraged to consult their own tax advisor with respect to their own particular circumstances.

No Canadian securities regulator nor the United States Securities and Exchange Commission or any state securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus Supplement or the Prospectus or determined if this Prospectus Supplement or the Prospectus are truthful or complete. Any representation to the contrary is an offence.

The head office of the Corporation is located at Suite 1640-1066 West Hastings Street, Vancouver, British Columbia, V6E3X1. The registered office of the Corporation is located at 2600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Offering and also adds to and updates information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Offering.

Investors should rely only on the information contained or incorporated by reference in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein. The Corporation has not authorized anyone to provide investors with different or additional information. If anyone provides investors with different or additional information, investors should not rely on it. The Corporation is not making an offer to sell or seeking an offer to buy Offered Shares in any jurisdiction where the offer or sale is not permitted. Investors should assume that the information contained in this Prospectus Supplement and the Prospectus is accurate only as at the date on the front of those documents and that information contained in any document incorporated by reference in this Prospectus Supplement or the Prospectus is accurate only as at the date of that document, regardless of the time of delivery of this Prospectus Supplement and the Prospectus. The Corporation's business, financial condition, results of operations and prospects may have changed since those dates.

If the description of the Offered Shares varies between this Prospectus Supplement and the Shelf Prospectus, investors should rely on the information in this Prospectus Supplement.

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference contain "forward-looking statements" and "forward-looking information" (collectively, "**forward-looking information**") within the meaning of applicable Canadian securities legislation. All information contained in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Corporation with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference is qualified by this cautionary note.

Forward-looking information in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference includes, but is not limited to, statements with respect to: closing of the Offering; the use of the net proceeds of the Offering; the Corporation's intention to complete the Offering on the terms and conditions described herein; the listing of the Offered Shares on the TSXV; the anticipated effect of the Offering on the performance of the Corporation; the proposed amendment to the Management Agreement (as defined below) and reduction of the Management Fee (as defined below); the future activities and performance of the Portfolio Companies (as defined below); investments in microcap public companies; the Corporation's investment approach, objectives and strategy, including its focus on specific sectors and development stage businesses; the various factors considered by the manager of the Corporation, PenderFund Capital Management Ltd. (the "**Manager**"), and criteria evaluated in making investment decisions; the structuring of the Corporation's investments and its plans to manage its investments, including the potential for an affiliate or principal of the Manager to be appointed to the board of a Portfolio Company; the Corporation's financial performance; the Corporation's expectations regarding the performance of certain sectors;

the Corporation's objective of achieving long-term capital appreciation for investors; the Corporation's intention to invest primarily in equity securities while supplementing its portfolio with investments in convertible or corporate debt; the Corporation's intention to invest primarily in Canadian domiciled businesses with investments in other markets being dependent on specific opportunities; the Manager's intention to invest both actively and passively; the Manager determining to further invest or divest of investments; the Corporation's current intention not to pay dividends and the possibility of potentially paying dividends in the future; the possibility that the Manager may, in the future, provide management services to other parties, including venture capital funds, mutual funds or investment funds engaged in similar business to that of the Corporation; the effect on the Corporation of the future performance of the Portfolio Companies; potential future share issuances; and the frequency and method of calculation of the Corporation's net asset value.

In order to give such forward-looking information, the Corporation has made certain assumptions about the Corporation's business, the economy and the investment industry in general and has also assumed that the Corporation has adopted reasonable investment strategies; the Corporation has adopted a reasonable definition of risk, the Manager can accurately estimate regular or recurring expenses and no significant events occur outside of the Corporation's normal course of business. Although the assumptions were considered reasonable by management of the Corporation at the time the forward-looking information was given, there can be no assurance that such assumptions will prove to be accurate.

In addition, the following are material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information in this Prospectus Supplement, the Prospectus and any documents incorporated herein or therein by reference: changes in governmental regulation adverse to the Corporation; political and economic uncertainties; the inability of the Corporation to obtain additional financing when and as needed; dependence on a small number of key personnel; competition from other investment issuers; the Corporation's operating costs; the Corporation's ability to service debt obligations as they may arise and other related matters; the nature of the Corporation's investments; the available opportunities and competition for its investments; the concentration of its investments in One45 Software Incorporated, a subsidiary of the Corporation and other significant investees; risks relating to such significant investees, including risk relating to operations, shareholder dilution, personnel, changing technology, market growth and product development; the concentration of its investments in certain industries and sectors, equity securities, Canadian domiciled businesses and private sector businesses; the limited number of Portfolio Companies in the Corporation's portfolio; the Corporation's dependence on its Manager; the risk that the Manager may provide investment opportunities well-suited for the Corporation to other businesses; the risk that the payment of a performance fee to the Manager may create an incentive for it to cause the Corporation to make investments that are riskier or more speculative than if there were no performance fee; risks affecting the Portfolio Companies and other investments; investments by the Corporation in private issuers which have illiquid securities, including risks related to the Corporation's ability to dispose of its investment in a Portfolio Company on satisfactory terms and to the Corporation's valuation of its investment portfolio; management of the growth of the Corporation; and other risks and factors referenced in the AIF under the heading "Risk Factors". Although the Corporation has attempted to identify material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Those factors are described or referred to elsewhere in this Prospectus Supplement and the Prospectus, in each case under the heading "Risk Factors" and in other documents available on the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations.

All forward-looking information contained in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference is given as of the date hereof or as of the date specified in the documents incorporated by reference and is based upon the opinions and estimates of management and information available to management as at the date hereof. Except as otherwise required under applicable securities laws, the Corporation disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking information contained herein to reflect any change in expectations, estimates and projections with regard thereto or any changes in events, conditions or circumstances on which any statement is based. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. In addition to the disclosure contained herein, for more information concerning the Corporation's various risks and uncertainties, please refer to the Corporation's periodic public filings available under its profile on SEDAR at www.sedar.com.

CURRENCY AND PRESENTATION OF FINANCIAL STATEMENTS

Unless otherwise specified or the context otherwise requires, all references to "\$" are to Canadian dollars and all references to "US\$" are to United States dollars.

For reporting purposes, unless otherwise noted, the financial statements of the Corporation incorporated by reference in this Prospectus are presented in Canadian dollars. Unless otherwise indicated, all financial statements incorporated by reference into this Prospectus have been prepared in accordance with International Financial Reporting Standards as promulgated by the International Accounting Standards Board.

This Prospectus Supplement contains references to "net assets" ("**Net Assets**"), also referred to as "net asset value" ("**Net Asset Value**"), and "net assets per share" ("**Net Assets per Share**"), which are non-IFRS financial measures. The terms Net Assets, Net Asset Value and Net Assets per Share do not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. Management believes that these measures can provide information useful to the investors in understanding the Corporation's performance and facilitate the comparison of results of its ongoing operations. Net Assets and Net Assets Per Share have the meanings as set out in the MD&A, which is incorporated by reference herein; additional information associated with each of these measures, including a reconciliation to the most directly comparable measure calculated in accordance with IFRS, is also discussed therein.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the Offering. Other documents are also incorporated or deemed to be incorporated by reference in the Prospectus and reference should be made to the Prospectus for full particulars thereof.

Information has been incorporated by reference in this Prospectus Supplement and the Prospectus from documents filed with securities commissions or similar authorities in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "Qualifying Provinces"). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Corporation at Suite 1640 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 telephone: (604) 688-1511. In addition, copies of documents incorporated by reference may be obtained electronically on the Corporation's SEDAR profile at www.sedar.com.

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

- (a) the annual information form (the "**AIF**") of the Corporation dated March 19, 2019 for the year ended December 31, 2018;
- (b) the audited financial statements (the "**Annual Financial Statements**") of the Corporation as at and for the year ended December 31, 2018, together with the notes thereto and the report of the auditors thereon;
- (c) the management's discussion and analysis of financial condition and results of operations (the "**MD&A**") of the Corporation for the year ended December 31, 2018, dated as of March 19, 2019;
- (d) the material change report of the Corporation dated February 20, 2019, announcing the transition of the Corporation from the Canadian securities regulatory regime for investment funds to the Canadian securities regulatory regime for reporting issuers who are not investment funds; and

- (e) the management information circular of the Corporation dated April 18, 2018 relating to the annual and special meeting of the Shareholders held on May 23, 2018;
- (f) the template versions of (a) the investor presentation for the Offering dated April 26, 2019 (the "**Presentation**") and (b) the term sheet for the Offering dated April 26, 2019 (the "**Term Sheet**");
- (g) the material change report of the Corporation dated May 6, 2019 announcing the Offering; and
- (h) the amended version of the Term Sheet dated May 6, 2019 (the "**Amended Term Sheet**", together with the Presentation and the Term Sheet, the "**Marketing Materials**").

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required to be incorporated by reference in a short form prospectus by National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators, filed by the Corporation with a securities commission or similar regulatory authority in Canada after the date of this Prospectus Supplement and prior to the termination of any offering of Offered Shares hereunder shall be deemed to be incorporated by reference into this Prospectus Supplement. These documents will be available electronically on the Corporation's SEDAR profile at www.sedar.com.

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

The Corporation has not provided or otherwise authorized any other person to provide purchasers with information other than as contained or incorporated by reference in this Prospectus or any Prospectus Supplement. If a purchaser is provided with different or inconsistent information, he or she should not rely on it.

MARKETING MATERIALS

The template version of each of the Marketing Materials is not part of this Prospectus Supplement to the extent that its contents have been modified or superseded by a statement contained in this Prospectus Supplement. Any "template version" of "marketing materials" filed by the Corporation with a securities commission or similar authority in Canada after the date of this Prospectus Supplement and before the termination of the distribution under the Offering will be deemed to be incorporated into this Prospectus Supplement.

The Term Sheet was modified to reflect confirmation of the final terms of the Offering, being the offer for sale of up to 5,125,000 Offered Shares at the Offering Price of \$3.90 per Offered Share for aggregate gross proceeds of \$19,987,500, as disclosed in the Amended Term Sheet dated May 6, 2019. The Amended Term Sheet has been blacklined to show the modified statements and can be viewed under the Corporation's profile on SEDAR at www.sedar.com.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Agents, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force as of the date hereof, the Offered Shares will be qualified investments at the time of acquisition by a

trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan ("DPSP"), a registered education savings plan ("RESP"), a registered disability savings plan ("RDSP") or a tax free savings account ("TFSA"), each as defined in the Tax Act (collectively, "Plans"), provided that, at the time of acquisition by the Plan, the Offered Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes Tiers 1 and 2 of the TSXV) or the Corporation is a "public corporation" as defined in the Tax Act.

Notwithstanding the foregoing, if the Offered Shares are "prohibited investments" for the purposes of a TFSA, RDSP, RRSP, RRIF or RESP, the holder, annuitant or subscriber of such Plan, as the case may be, will be subject to a penalty tax in respect of the Offered Shares as set out in the Tax Act. The Offered Shares will not be a "prohibited investment" provided the holder, annuitant or subscriber of a TFSA, RDSP, RRSP, RRIF or RESP, as the case may be, deals at arm's length with the Corporation for purposes of the Tax Act and does not have a "significant interest" (within the meaning of the Tax Act for purposes of the prohibited investment rules) in the Corporation. In addition, the Offered Shares will not be a "prohibited investment" if the Offered Shares are "excluded property" (within the meaning of the Tax Act for purposes of the prohibited investment rules) for trusts governed by a TFSA, RDSP, RRSP, RRIF or RESP. Prospective purchasers should consult their own tax advisors to ensure that the Offered Shares will not be a prohibited investment for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP in their particular circumstances.

THE CORPORATION

The Corporation is a publicly-listed diversified holding company focused on holding interests in businesses principally in the information technology and telecommunications sectors (each a "Portfolio Company").

More detailed information regarding the business of the Corporation, its operations and its assets can be found in the AIF and other documents which are incorporated in this Prospectus Supplement by reference. See "*Documents Incorporated by Reference*".

Proposed Amendment to the Management Agreement

In connection with the Offering, the Corporation is proposing a reduction to the management fee (the "**Management Fee**") payable to the Manager under the existing management agreement between the Corporation and the Manager (the "**Management Agreement**"), dated as of May 1, 2017, as amended pursuant to Amendment No. 1 to Management Agreement, dated as of March 7, 2019. The current Management Fee is 2.50% per annum of the Net Asset Value up to a Net Asset Value of \$50,000,000 and 2.00% of the Net Asset Value on the amount by which the Net Asset Value exceeds \$50,000,000. In the event the proceeds of the Offering are a minimum of \$15,000,000, the Corporation and the Manager have agreed that the Management Fee will be revised to 2.50% per annum of the Net Asset Value up to a Net Asset Value of \$15,000,000 and 1.75% of the Net Asset Value on the amount by which the Net Asset Value exceeds \$15,000,000.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Corporation's cash, indebtedness and shareholders' equity as of December 31, 2018 (a) on an actual basis, (b) after giving effect to the Offering and (c) after giving effect to the Offering and assuming the Over-Allotment Option is exercised in full. This table should be read in conjunction with the Annual Financial Statements and the MD&A.

Description of Capital	As at December 31, 2018	As at December 31, 2018 after giving effect to the Offering ⁽¹⁾	As at December 31, 2018 giving effect to the Offering ⁽¹⁾ and assuming the Over- Allotment Option is exercised in full
Number Common shares outstanding	4,152,545	9,277,545	10,046,295
Shareholders' Equity			
Share Capital	\$5,204,759	\$25,192,259	\$28,190,384

Description of Capital	As at December 31, 2018	As at December 31, 2018 after giving effect to the Offering ⁽¹⁾	As at December 31, 2018 giving effect to the Offering ⁽¹⁾ and assuming the Over- Allotment Option is exercised in full
Retained Earnings	\$12,000,549	\$12,000,549	\$12,000,549
Total Shareholders' Equity.....	\$17,205,308	\$37,192,808	\$40,190,933

Note:

(1) Assuming no President's List Purchasers participate in the Offering and before deducting the Agency Fee or the expenses of the Offering.

There have been no material changes in the share and loan capitalization of the Corporation since December 31, 2018, the date of the Annual Financial Statements, which are incorporated by reference into this Prospectus.

USE OF PROCEEDS

Assuming the maximum Offering (and assuming no President's List Purchasers participate in the Offering), the net proceeds from the Offering are estimated to be \$18,988,125, after deducting the Agency Fee of \$999,375 but before deducting expenses of the Offering. If the Over-Allotment Option is exercised in full (and assuming no President's List Purchasers participate in the Offering), the net proceeds from the Offering are estimated to be \$21,836,344, after deducting the Agency Fee of \$1,149,281 but before deducting expenses of the Offering. The Agency Fee and the expenses of the Offering will be paid out of the gross proceeds of the Offering.

The estimated net proceeds of the Offering are expected to be used by the Corporation as follows:

	Assuming Aggregate Proceeds of \$19,875,500 from the Maximum Offering	Assuming Aggregate Proceeds of \$17,500,000 from the Offering
Estimated Offering expenses.....	\$355,700	\$353,075
Working capital.....	\$775,000	\$775,000
Investments in Portfolio Companies.....	\$17,857,425	\$15,496,925
	\$18,988,125	\$16,625,000

Although the Corporation intends to use the net proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary from those allocations set out above, depending on future developments in the Corporation's business operations or unforeseen events, including those listed under the "Risk Factors" section of this Prospectus Supplement and the Prospectus. Investors are cautioned that, notwithstanding the Corporation's current intentions regarding the use of the net proceeds of the Offering, there may be circumstances where a reallocation of the net proceeds may be advisable for reasons that management believes, in its discretion, are in the Corporation's best interests.

Business Objectives

The business plan of the Corporation is to achieve long-term capital appreciation for its investors. To accomplish this, the Corporation intends to use part of the net proceeds of the Offering to invest in Portfolio Companies that meet the Corporation's investment mandate and comply with the Corporation's investment policy and investment restrictions. More information regarding the Corporation's investment mandate, policy and restrictions is set out in the AIF under the heading "*Description of the Business*". The Corporation expects to use such portion of the net proceeds of the Offering as and when investment opportunities become available. The ability of the Corporation to achieve such objective is subject to the availability of appropriate investment opportunities.

Minimum Offering

No minimum amount of funds must be raised under the Offering. This means that the Corporation could complete the Offering after raising only a small proportion of the Offering amount set out above. As a result, it is possible that the entire gross proceeds of the Offering could be used to finance the Agency Fee and the expenses of the Offering. In order to finance the anticipated expenses of the Offering, the Corporation must raise gross proceeds of not less than \$357,368.42. In the event that the gross proceeds of the Offering are greater than the Agency Fee and expenses of the Offering, but less than the maximum Offering, the Corporation's proposed business plan and objectives, as well as the Corporation's liquidity, operations, capital resources and solvency, will not be materially impacted. However, the Corporation will have less available funds to invest in proposed Portfolio Companies.

PRIOR SALES

No Common Shares were issued by the Corporation during the 12-month period prior to the date of this Prospectus Supplement.

TRADING PRICE AND VOLUME

The Common Shares trade on the TSXV under the symbol "PTF". On May 6, 2019, the last trading day completed prior to the filing of this Prospectus Supplement, the closing price of the Common Shares on the TSXV was \$3.70. The price range and trading volume of the Common Shares for each month from May 2018 to May 2019, as reported by the TSXV, are set out below:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Total Volume</u>
May 1 - 6, 2019	\$3.80	\$3.70	14,632
April 2019	\$3.95	\$3.50	78,155
March 2019	\$3.50	\$3.00	71,278
February 2019	\$3.59	\$3.00	28,892
January 2019	\$3.50	\$3.28	19,054
December 2018	\$3.45	\$3.01	17,567
November 2018	\$3.99	\$3.29	15,258
October 2018	\$4.13	\$3.70	23,566
September 2018	\$4.25	\$3.81	37,260
August 2018	\$4.19	\$4.00	12,782
July 2018	\$4.25	\$4.00	13,810
June 2018	\$4.25	\$3.85	81,866
May 2018	\$4.50	\$4.15	40,195

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The authorized capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Class B convertible non-participating common shares (the "**Class B Shares**") and an unlimited number of Class R senior participating redeemable convertible preference share (the "**Class R Shares**"). As at the date of this Prospectus Supplement, there were 4,152,545 Common Shares issued and outstanding, no Class B Shares issued and outstanding and no Class R Shares issued and outstanding. Upon completion of the Offering, assuming the maximum Offering, there will be an aggregate of 9,277,545 Common Shares issued and outstanding and, if the Over-Allotment Option is exercised in full, there will be an aggregate of 10,046,295 Common Shares issued and outstanding.

The Offered Shares have all of the characteristics, rights and restrictions of the Common Shares. The holders of Common Shares are entitled to one vote per share at all meetings of shareholders of the Corporation except separate meetings of the holders of another class or series of shares of the Corporation. Subject to the preferences accorded to holders of any class of shares of the Corporation ranking senior to or concurrent with the Common Shares, the Common Shares are entitled to dividends, if and when declared by the Corporation's board of directors (the "**Board**"). In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of all or substantially all of the assets of the Corporation, the holders of Common Shares are entitled to receive the amount available to the holders of Common Shares remaining after distributions to the holders of Class R Shares, if any.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to offer the Offered Shares for sale, as agents of the Corporation, at the Offering Price on a "commercially reasonable efforts" basis. The Offering Price was determined by arm's length negotiation between the Corporation and the Agents. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of the Agency Fee. While the Agents have agreed to use commercially reasonable efforts to sell the Offered Shares, the Agents will not be obligated to purchase Offered Shares that are not sold.

The Corporation has agreed to pay to the Agents the Agency Fee, in consideration for its services rendered in connection with the Offering, in the amount equal to 5.0% of the gross proceeds of the Offered Shares sold by the Agents, subject to the terms and conditions of the Agency Agreement. Assuming no President's List Purchasers participate in the Offering, the aggregate Agency Fee will be \$999,375 or, if the Over-Allotment Option is exercised in full, \$1,149,281. The Agents have agreed to reduce the Agency Fee to 2.25% in connection with the issuance of Offered Shares sold to President's List Purchasers.

The Corporation has granted the Agents the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Lead Agent, on behalf of the Agents, for a period of 30 days from and including the Closing Date, enabling them to offer up to such additional number of Offered Shares as is equal to 15% of the number of Offered Shares sold under the Offering at the Offering Price per Over-Allotment Share, solely to cover over-allotments, if any, and for consequent market stabilization purposes.

This Prospectus Supplement qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares to be issued and sold upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires those securities under this Prospectus Supplement, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the terms of the Agency Agreement, the obligations of the Agents may be terminated at their discretion on the basis of their reasonable assessment of the state of the financial markets and also upon the occurrence of certain stated events. The Corporation has agreed to pay the reasonable out-of-pocket expenses incurred by the Agents in connection with the Offering and has also agreed to indemnify the Agents, their affiliates and subsidiaries and their respective directors, officers, employees, partners, agents, advisors and shareholders against certain liabilities and expenses, or to contribute to payments that the Agents may be required to make in respect thereof.

The Offered Shares will be offered in Qualifying Provinces through the Agents or their affiliates who are registered to offer the Offered Shares for sale in such provinces and such other registered dealers as may be designated by the Agents. The Offered Shares will not be offered in any jurisdiction other than the Qualifying Provinces except where such offering is exempt from registration and prospectus requirements under applicable securities laws in such jurisdiction and which does not require the Corporation to register any of its securities or to comply with ongoing filing or disclosure requirements or other similar requirements in such jurisdiction.

Subscriptions for Offered Shares will be received by the Agents subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing is expected to take place on May 10, 2019, or such other date as may be agreed upon by the Corporation and the Lead Agent, but in any event not later than 90 days following the date of this Prospectus Supplement. Global certificates or an instant deposit through the non-certificated inventory system representing the Offered Shares will be issued and deposited with CDS.

A subscriber who purchases Offered Shares will receive only a customer confirmation from the registered dealer who is a CDS participant from or through whom Offered Shares are purchased. CDS will record the CDS participants who hold the Offered Shares on behalf of owners who have purchased or transferred Offered Shares in accordance with the book entry only system of CDS. Physical certificates evidencing Offered Shares will not be issued except in limited circumstance and unless a request for a certificate is made to the Corporation.

The Corporation has agreed that it will not, for a period of 120 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, any Common Shares or other securities of the Corporation (or securities convertible into, exchangeable for, or otherwise exercisable to acquire any Common Shares or other securities of the Corporation) or announce any intention to do so, other than pursuant to (i) directors', officers' or employee stock options and other share compensation arrangements, (ii) the issuance of Common Shares upon the exercise of convertible or exchangeable securities or options outstanding as at the date hereof, (iii) pursuant to obligations in respect of existing agreements, and (iv) Common Shares issuable pursuant to the Offering, without the prior written consent of the Agents, such consent not to be unreasonably withheld or delayed.

The Corporation has agreed that it will cause each of the directors and officers of the Corporation to execute an undertaking in favour of the Agents not to offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, any Common Shares or other securities of the Corporation (or securities convertible into, exchangeable for, or otherwise exercisable to acquire any Common Shares or other securities of the Corporation) or announce any intention to do so, for a period of 120 days following the closing of the Offering, other than (a) pursuant to a take-over bid or any other similar transaction made generally to all shareholders of the Corporation, (b) where they first obtain the prior written consent of the Agents, such consent not to be unreasonably withheld, or (c) the exercise of any options granted pursuant to stock option plans or stock purchase plans or any other stock based compensation plan currently in place for the Corporation, provided that any underlying securities issued by the Corporation on such exercise remain subject to the same restrictions respect to offering, selling, contracting to sell, lending, swapping or entering into any other agreement to transfer the economic consequences of, or otherwise disposing of or dealing with securities of the Corporation provided in such undertaking.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Shares to, or for the account or benefit of, persons in the United States or U.S. Persons. The Offered Shares have not been and will not be registered under the 1933 Act or any securities laws of any state of the United States, and may not be offered or sold to, or for the account or benefit of, persons within the United States or U.S. Persons, except in transactions registered under the 1933 Act or exempt from the registration requirements of the 1933 Act and in accordance with all applicable laws of any state of the United States. The Agents have agreed pursuant to the terms of the Agency Agreement that they will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Offered Shares at any time to, or for the account or benefit of, persons within the United States or U.S. Persons, except to "qualified institutional buyers" (as defined in Rule 144A under the 1933 Act) that execute and deliver to the Agents and the Corporation the letter in the form provided to them by the Agents in transactions that are exempt from the registration requirements under the 1933 Act, and in compliance with applicable securities laws of any state of the United States. In addition, until 40 days after the commencement of the Offering pursuant to this Prospectus Supplement, an offer or sale of Offered Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act. All sales of Offered shares in the United States will be made by U.S. registered broker/dealers.

Subject to applicable laws, the Agents may, in connection with this Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable stabilization rules. Pursuant to the rules and/or policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restrictions are subject to certain exceptions including a bid for or purchase of Common Shares: (i) made through the facilities of the TSXV, in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, (ii) made for or on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Agents, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period, and (iii) to cover a short position entered into prior to the commencement of a prescribed restricted period. The Agents may engage in market

stabilization or market balancing activities on the TSXV where the bid for or purchase of the Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Common Shares are listed and posted for trading on the TSXV under the symbol "PTF". The Corporation has applied to list on the TSXV the Offered Shares qualified hereunder and the TSXV has conditionally approved the listing of such shares. The listing of the Offered Shares is subject to the Corporation fulfilling all of the listing requirements of the TSXV.

RISK FACTORS

Investing in the Offered Shares involves a high degree of risk as the Corporation, and thus the Offered Shares should be considered a speculative investment due to the high-risk nature of the Corporation's business. In addition to the other information contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein, investors should carefully consider the risks described under the "Risk Factors" section of this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference before purchasing any Offered Shares. If any such risks actually occur, the Corporation's business, financial condition, financial performance and prospects could materially suffer. As a result, the trading price of the Corporation's securities, including the Common Shares, could decline, and investors might lose all or part of their investment. The risks set out in this Prospectus Supplement and the Prospectus are not the only risks that the Corporation faces; risks and uncertainties not currently known to it or that it currently deems to be immaterial may also materially and adversely affect its business, financial condition, financial performance and prospects. The Investors should also refer to the other information set forth or incorporated by reference in this Prospectus Supplement and the Prospectus, including in the AIF.

Risk Relating to the Offering

Use of Proceeds

The Corporation currently intends to allocate the net proceeds received from the Offering as described under "Use of Proceeds" in this Prospectus Supplement. However, management of the Corporation will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it is believed it would be in the best interests of the Corporation to do so. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

Anticipated Proceeds May Not Be Fully Realized

The Offering is not subject to any minimum subscription level. In the event of receipt of net proceeds from the Offering in an amount less than the anticipated proceeds, the Corporation may be required to reallocate the net proceeds received from the Offering.

Risks relating to the Corporation

Liquidity Risk for Investments

The Corporation's investments include Portfolio Companies whose securities are not publicly traded. Consequently, it may be relatively difficult for the Corporation to dispose of its investment in a Portfolio Company rapidly at favourable prices in connection with adverse market developments or other factors. The sale of such investments may also be subject to delays and additional costs and may only be possible at substantial discounts.

Liquidity Risk for Common Shares

The Common Shares are not redeemable. The Net Assets per Share of the Common Shares fluctuates with the value of the Corporation's Net Assets, which could adversely affect the ability of a holder of the Common Shares to dispose of them. While the Common Shares trade on the TSXV, an active trading market for the Common Shares may not be

available which would significantly impact the liquidity of such shares. Even if an active trading market for the Common Shares is available, the market price of such shares may not enable shareholders to dispose of their shares at a reasonable price relative to the Net Assets per Share.

Concentration Risk

The Corporation's portfolio consists of a relatively small number of Portfolio Companies. Currently One45 Software Incorporated ("**One45**") comprises over 40% of the Corporation's portfolio, D-Wave Systems Inc. ("**D-Wave**") comprises over 20% of the Corporation's portfolio, and BasicGov Systems Inc. ("**BasicGov**") comprises over 10% of the Corporation's portfolio, in each case by Net Asset Value. As a result, the Corporation would be substantially adversely affected by the unfavourable performance of any of these investments.

No Assurance of Objective or Return

There is no guarantee that the Corporation will be able to achieve its investment objective, or that the Corporation will earn a positive return or maintain or grow its Net Asset Value per share.

Lack of Investment Diversification

The Corporation does not have any specific limits on holdings in Portfolio Companies in any one industry or investee entity size and is currently focused on emerging technology companies. Accordingly, the Corporation's portfolio may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting this industry than would be the case if the Corporation were required to maintain wide diversification.

Emerging Technology Risk

The Corporation invests primarily in emerging technology companies. The prospects for success of emerging technology companies depend critically on a number of factors which, given the limited operating histories of some of them, may be difficult to evaluate. Investments in emerging technology companies are inherently risky, and in the case of failed businesses, may result in the total loss of capital invested in a Portfolio Company by the Corporation. The technology companies in which the Corporation invests will typically require additional capital, which the Corporation may not be able to provide or which may not be available from other sources.

Not a Mutual Fund or Investment Fund

The Corporation is not a mutual fund or an investment fund. The rules designed to protect investors who purchase securities of mutual funds or investment funds do not apply to the Corporation, and the Corporation is not subject to investment restrictions applicable to mutual funds or investment funds.

Trading Price of the Shares Relative to the Value of Net Assets

Securities of certain stock exchange listed companies in Canada have traded at a discount from the value of their net assets. This risk associated with securities of a listed corporation is a risk separate and distinct from the risk that the value of the Corporation's Net Assets may decrease. The Corporation cannot predict whether the Common Shares will trade at a discount from, a premium to, or at the value of the Corporation's Net Assets.

The market price of the Common Shares will likely be affected by macroeconomic developments around the world and market perceptions of the attractiveness of various economies, industries or companies.

The market price of the Common Shares at any given point in time may not accurately reflect the Corporation's long-term value. The market price of the Common Shares is determined by, among other things, the relative demand and supply of the Common Shares in the market, the Corporation's investment performance and investor perception of the Corporation's overall attractiveness as an investment as compared with other investment alternatives.

Reliance on the Manager

The Corporation relies upon the good faith and expertise of the Manager in providing investment advice and other services. If for any reason the Manager is unable or unwilling to provide investment advice to the Corporation, there could be significant adverse consequences to the Corporation.

The Corporation relies on the ability of the Manager to actively manage the Corporation's assets pursuant to the Management Agreement. The Manager will make the investment decisions in respect of the portfolio upon which the success of the Corporation will depend significantly. No assurance can be given that the approach utilized by the Manager in respect of the portfolio will prove successful.

Reliance on Key Personnel

The Corporation and the Manager depend, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Corporation. The loss of such services or the loss of some key individuals could impair the ability of the Corporation and/or the Manager to perform its management and administrative activities on behalf of the Corporation.

Available Opportunities and Competition for Investments

The success of the Corporation's operations will depend upon, among other things: (i) the availability of appropriate investment opportunities; (ii) its ability to identify, select, acquire, grow and exit those investments; and (iii) its ability to generate funds for future investments. The Corporation can expect to encounter competition from other entities having investment objectives similar to its own, including institutional investors and strategic investors. These groups may compete for the same investments as the Corporation, may be better capitalized, have more personnel, have a longer operating history and have different return targets than the Corporation. As a result, the Corporation may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit the Corporation's ability to generate desired returns.

There can be no assurance that there will be a sufficient number of suitable investment opportunities available to the Corporation or that such investments can be made within a reasonable period of time. There can be no assurance that the Corporation will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential portfolio returns will be diminished to the extent that the Corporation is unable to find and make a sufficient number of investments.

Performance Fee

The payment of a performance bonus (the "**Performance Fee**") to the Manager in certain circumstances, based on achieving certain performance criteria set out in the Management Agreement, may create an incentive for it to cause the Corporation to make investments that are riskier or more speculative than if there were no Performance Fee. Since the Performance Fee payable under the Management Agreement is calculated on a basis that includes unrealized appreciation of the Corporation's Net Assets, the fee may be greater than if it were based solely on realized gains. In addition, the ordinary income of the Corporation (including dividends and interest received) is included in the calculation of the fee.

No Dividends

The Common Shares are entitled to receive dividends at the discretion of the Board. However, the Corporation does not anticipate declaring any dividends on the Common Shares for the foreseeable future. The Board may consider paying dividends on the Common Shares in the future when operational circumstances, including earnings, cash flow, financial and legal requirements and business considerations, permit.

Expenses Ultimately Borne by the Shareholders

Fees and expenses borne by the Corporation will directly or indirectly impact the Net Assets per Share of the Common Shares.

Future Dilution

Where, in the opinion of the Board and the Manager, additional capital is necessary or desirable to carry on the investment activities of the Corporation, the Corporation may issue additional Common Shares or shares of another class at a price and otherwise on terms and conditions determined by the Board and the Manager as provided for in the constating documents of the Corporation. Depending on the price at which such additional securities of the Corporation are offered for sale, the issuance of such additional securities could result in a dilution to existing Shareholders. In creating and issuing additional securities of the Corporation, the Board and the Manager will comply with the requirements of applicable securities legislation and will act in the best interests of the Corporation and its shareholders.

Conflicts of Interest

The Manager provides management services to other investment entities, which may invest in securities similar to the portfolio of the Corporation. The Manager has a fiduciary duty to each of these clients (including the Corporation) and will need to balance any competing interests. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Corporation.

Equity Risk

The Corporation invests in public and private companies and the value of the Corporation will increase or decrease with the value of such assets. The Corporation's valuation process for its Portfolio Companies is based on inherent uncertainties and the resulting values may differ from values that would have been used had a liquid market existed for the investments.

Investments in Portfolio Companies made by the Corporation will generally lack liquidity and involve a longer than usual investment commitment. Losses are typically realized before gains, and the Corporation may be required to dispose of investments before any returns are received therefrom.

Investments in Private Issuers

Portfolio Companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. The Corporation's portfolio consists of securities issued by privately held Portfolio Companies. There is generally little or no publicly available information about such companies and the Corporation must rely on the diligence of the Manager to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of the Manager will uncover all material information about the privately held business necessary for the Corporation to make a fully informed investment decision.

Valuation of the Corporation's investments

The Net Asset Value per Share will vary directly with the market value and return of the investment portfolio of the Corporation. The Corporation's valuation of its investment portfolio may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the value of the Corporation's Net Assets and its shares could be adversely affected. Independent pricing information may not at times be available regarding certain of the Corporation's investments, particularly where securities are not publicly traded. Valuation determinations will be made in good faith in accordance with the valuation principles established by the Corporation from time to time.

The Corporation may from time to time hold Portfolio Company investments that by their very nature may be difficult to value accurately. To the extent that the value assigned by the Corporation to any such investment differs from the actual value, the Net Assets per Share may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that if an investor sells all or part of its Shares while the Corporation holds such investments, it may realize an amount less than it might have if the actual value of such investments was higher than the value designated by the Corporation. Further, there is risk that a new shareholder (or an existing shareholder who makes an additional

investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Corporation.

Shareholder activism

From time to time, the Corporation invests in issuers with features that the Manager believes depress the fundamental value of the issuer and its securities. In those circumstances, the Corporation will take a position in that issuer, sometimes a material position, and may initiate or work with other key shareholders in initiating corporate change. Although the Manager will act prudently and in accordance with applicable laws, such shareholder activism opens the Manager, and possibly the Corporation and other funds and managed accounts on whose behalf it is acting, to certain risks, including the risk of litigation by existing management or other shareholders, the risk that trading in such issuers' securities may become suspended, and the risk that the Corporation's investment in such issuers will be treated as part of a larger control block and subject to statutory restrictions on liquidity.

Due Diligence

The due diligence process that the Corporation undertakes in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Corporation conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Corporation relies on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Corporation will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Portfolio Company Operating Losses

The Corporation may have limited information about the financial performance and profitability of some of the Portfolio Companies. Many of the Portfolio Companies are currently experiencing operating losses. There can be no assurance when or if such companies will operate at a profit.

Non-Controlling Interests

The Corporation's investments includes debt instruments and equity securities of Portfolio Companies that it does not control. These instruments and securities may be acquired in the secondary market or through purchases of securities from the issuer. These investments are subject to the risk that the Portfolio Company may make business, financial or management decisions with which the Corporation does not agree, or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Corporation's interests. If any of the foregoing were to occur, the values of the Corporation's respective investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Intellectual Property

The industry in which the Corporation currently primarily invests has many participants that own, or claim to own, proprietary intellectual property. Some of the issuers that the Corporation invests in may become subject to claims from third parties claiming that the issuers have infringed on intellectual property rights. Determination of the rights to intellectual property is very complex, and costly litigation may be required to establish if an issuer has violated the intellectual property rights of others. As a result of such claims, some of the Corporation's investments could be subject to losses arising from issuers being subject to product injunctions, awards for damages and third party litigation costs, requirements to license intellectual property, legal expenses, diversion of managements' time and attention, and other costs.

Cyber security risk

The Corporation is exposed to cyber security risk, which is the risk of harm, loss and liability resulting from a failure or breach of an organization's information technology systems. In general, cyber security risks can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber security risks include, but are not limited to, third-parties gaining unauthorized access to digital systems (e.g. through "hacking" or malicious software coding) for the purpose of misappropriating assets or sensitive information, corrupting data, damaging equipment or systems, or causing operational disruption. Cyber security risks may also include denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security risks have the ability to negatively impact the Corporation and the Shareholders by, among other things, disrupting and impacting the Corporation or Manager's business operations, disrupting and impacting business operations of Portfolio Companies and impeding trading by or in the Corporation. Cyber security risks can result in significant financial losses and cause violations of applicable privacy and other laws.

The Manager has established business continuity plans and risk management systems to address cyber security risks. There are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified or appropriately protected against. Furthermore, the Corporation cannot control the cyber security plans and systems put in place by its service providers, the businesses it invests in or any other third party whose operations may affect the Corporation or investors. However, the Corporation does ensure that any service providers deemed critical to the Corporation's functions have proper security measures and controls in place.

Changes in Legislation and Administrative Policy

There can be no assurance that certain laws applicable to the Corporation, including income tax laws, will not be changed in a manner which could adversely affect the value of the Corporation. In addition, there can be no assurance that the administrative policies and assessing practices of the Canadian Revenue Agency will not be changed in a manner which adversely affects the Shareholders. The Corporation may also be affected by changes in regulatory requirements, customs, duties or other taxes in Canada or foreign jurisdictions. Such changes could, depending on their nature, benefit or adversely affect the Corporation.

Enforcement of Rights

The Corporation's assets may be held in accounts by custodians or pledged to creditors of the Corporation as per applicable law in jurisdictions outside of Canada so that there can be no assurance that judgments obtained in Canadian courts will be enforceable in any of those jurisdictions. It is possible that events such as the expropriation, confiscatory taxation or nationalization of foreign bank deposits or other assets may occur, which may result in the Corporation being unable to enforce its legal rights or protect its investments.

Legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights may differ from those that may apply in other jurisdictions. Shareholders' rights under foreign law may not be as extensive as those that exist under the laws of Canada. The Corporation may therefore have more difficulty asserting its rights as a shareholder of a foreign company in which it invests than it would as a shareholder of a comparable Canadian company.

Leverage Risk

The Corporation may borrow additional capital to invest in existing Portfolio Companies for the purpose of enhancing the potential returns of the Corporation. The risk to investors may increase if the securities purchased with borrowed money decline in value. While the use of leverage can increase the rate of return, it can also increase the magnitude of loss in unprofitable positions beyond the loss which would have occurred if there had been no borrowings. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried. Leveraging will thus tend to magnify the losses or gains from investment activities.

There can be no assurance that the borrowing strategy employed by the Corporation will enhance returns, and it may, in fact, reduce returns.

Risks Relating to the Portfolio Companies and Their Operations

The Corporation's three largest investments, One45, BasicGov and D-Wave (together, the "**Significant Investees**") are subject to certain risks which are described below.

Need for Future Financings

The Significant Investees' capital requirements will depend on many factors. If they experience unanticipated cash requirements they may need to seek additional sources of financing, which may not be available on favorable terms, if at all. Future financings could dilute the Corporation's interests in a Significant Investee. In the event a Significant Investee does not succeed in raising additional funds on acceptable terms, it may be forced to discontinue product development and/or commercialization, reduce or forego sales and marketing efforts, forego attractive business opportunities or discontinue operations.

Personnel

Each Significant Investee's ability to recruit and retain personnel is crucial to its ability to develop market, sell and support its products and services.

Each Significant Investee depends on the services of its key technical, sales, marketing and management personnel. The loss of any of these key persons could have a material adverse effect on such Significant Investee's results of operations and financial condition. Each Significant Investee's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Corporation cannot provide assurance that it will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. A Significant Investee's inability to attract and retain the necessary technical, sales, marketing and management personnel may have a material adverse effect on its future growth and profitability. It may be necessary for the Significant Investees to increase the level of compensation paid to existing or new employees and contractors to a degree that its operating expenses could be materially increased.

Competition

Each Significant Investee experiences and will continue to experience intense competition from other organizations with more established sales and marketing presence, more advanced technology and technical services and greater financial resources. Competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Furthermore, additional competitors may enter the market and competition may intensify. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on a Significant Investee's business, results of operation and financial condition.

Additional Software-as-a-Service ("SaaS") Risks

Each of One45 and BasicGov are SaaS companies and are subject to the additional risks described below.

Changing Technology

The markets for these Significant Investees' products are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards can render the Significant Investees' existing products obsolete and unmarketable and can exert price pressures on existing products. It is critical to the success of the Significant Investees that they are able to anticipate and react quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. There can be no assurance that the Significant Investees will successfully develop new products or enhance and improve their existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render their products obsolete. The

Significant Investees' inability to develop products that are competitive in technology and price and that meet end-user needs could have a material adverse effect on such Significant Investee's business, financial condition or results of operations.

Dependence on Market Growth

There can be no assurance that the market for these Significant Investees' existing software will continue to grow, that customers will continue to adopt the Significant Investees' software or that the Significant Investees will be successful in establishing markets for their new products. If the various markets in which the Significant Investees' products are offered fail to grow, or grow more slowly than they currently anticipate, or if the Significant Investees are unable to establish markets for their new products, their businesses, operating results and financial condition could be materially adversely affected.

Niche Markets

Each of these Significant Investees' services are attempting to create a niche in the industry and may not achieve or sustain market acceptance. To address these risks, a Significant Investee must, among other things, appeal to consumers; implement and successfully execute its business and marketing strategy; implement and upgrade the technology and systems that it uses to serve its information and subscriber bases and process client and customer transactions and payments; respond to competitive developments; and attract, retain, and motivate qualified personnel. The Corporation cannot assure that the Significant Investees will successfully address these risks, and failure to do so could have a negative impact on their business, operating results and financial condition.

Additional Development Company Risks

One of the Significant Investees, D-Wave, is a development stage company in the field of quantum computing systems and has not yet commercialized its technology. Additional risk factors applicable to D-Wave are set out below.

Commercialization

D-Wave may not be able to achieve commercialization of its products on the timetable it anticipates, or at all. D-Wave has no experience developing products on a commercial basis. The Corporation can not guarantee that D-Wave will be able to develop commercially viable products, commercial volume manufacturing processes, or commercially viable sales volume.

Successful Execution of Business Plan and Operating Losses

D-Wave may not be able to successfully execute its business plan. The execution of its business plan is based on numerous assumptions and includes many challenges. Significant cost overruns on programs or significantly higher costs than expected may result in certain research and development activities being delayed or terminated, resulting in changes or delays in achieving commercialization.

D-Wave cannot predict with certainty future revenues or results from operations. D-Wave has experienced operating losses and negative operating cash flows since inception and anticipates that operating expenses will continue to exceed funds received from revenues in the next year. The Corporation has no assurance that sufficient financing will be available to D-Wave to continue in operation for the foreseeable future. Ongoing operations are dependent on D-Wave's ability to obtain debt and equity financing or to generate profitable operations in the future. Please also refer to "*Need for Future Financings*", above.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by Bennett Jones LLP, on behalf of the Corporation and Blake, Cassels & Graydon LLP, on behalf of the Agents.

As of the date of this Prospectus Supplement, the partners and associates of Bennett Jones LLP and Blake, Cassels & Graydon LLP beneficially own, directly or indirectly, in the aggregate less than 1% of the issued and outstanding Common Shares.

AUDITOR, TRANSFER AGENT AND REGISTRAR

KPMG LLP is the auditor of the Corporation and has confirmed with respect to the Corporation that it is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) at its principal transfer offices in Vancouver, British Columbia.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

CERTIFICATE OF THE CORPORATION

Dated: May 6, 2019

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the short form prospectus and this prospectus supplement as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

PENDER GROWTH FUND INC.

(signed) David Barr

David Barr
Chief Executive Officer

(signed) Gina Jones

Gina Jones
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) Kelly Edmison

Kelly Edmison
Director

(signed) Ian Power

Ian Power
Director

CERTIFICATE OF THE AGENTS

Dated: May 6, 2019

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the short form prospectus and this prospectus supplement as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

PI FINANCIAL INC.

(signed) Timothy Johnston

By: Timothy Johnston

CANACCORD GENUITY CORP.

(signed) Michael Shuh

By: Michael Shuh

GMP SECURITIES L.P.

(signed) Paul Bissett

By: Paul Bissett

RAYMOND JAMES LTD.

(signed) J. Graham Fell

By: J. Graham Fell

This short form base shelf prospectus has been filed under legislation in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "Qualifying Provinces") that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Pender Growth Fund Inc. at Suite 1640 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 telephone: (604) 688-1511, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

April 11, 2019



PENDER GROWTH FUND INC.

\$50,000,000

**COMMON SHARES
DEBT SECURITIES
CONVERTIBLE SECURITIES
SUBSCRIPTION RECEIPTS
WARRANTS
RIGHTS
UNITS**

This short form base shelf prospectus (the "**Prospectus**") relates to the offering for sale by Pender Growth Fund Inc. (the "**Corporation**"), from time to time, during the 25 month period that this Prospectus, including any amendments hereto, remains valid, of up to \$50,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering) in the aggregate of: (i) Class C participating common shares ("**Common Shares**") in the capital of the Corporation, (ii) debt securities ("**Debt Securities**") of the Corporation, issuable in series, (iii) securities convertible ("**Convertible Securities**") into or exchangeable for Securities (as defined below), (iv) subscription receipts ("**Subscription Receipts**") of the Corporation, each of which, once purchased, entitle the holder to receive upon satisfaction of certain release conditions, and for no additional consideration, one or more Securities or a combination of Securities, (v) warrants ("**Warrants**") of the Corporation to purchase other Securities, (vi) rights ("**Rights**") of the Corporation exercisable to acquire, or convertible into, other Securities, and (vi) units of the Corporation (the "**Units**"), comprised of one or more of any of the other Securities, or any combination of such Securities (the Common Shares, Debt Securities, Convertible Securities, Subscription Receipts, Warrants, Rights and Units are collectively referred to herein as the "**Securities**"). The 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 the Corporation may determine from time to time depending upon its 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 an applicable Prospectus Supplement (a "**Prospectus Supplement**") and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price, whether the Common Shares are being offered for cash, and any other terms specific to the Common Shares; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms and any other terms specific to the Debt

Securities being offered; (iii) in the case of Convertible Securities, the number of Convertible Securities offered, the offering price, the procedures for the conversion or exchange of such Convertible Securities into or for Common Shares and/or other Securities and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts offered, the offering price, the procedures for the conversion or exchange of such Convertible Securities into or for Common Shares and/or other Securities and any other specific terms; (v) in the case of Rights, the designation, number and terms of the Securities purchasable upon exercise of the Rights, any procedures that will result in the adjustment of these numbers, the date of determining the shareholders entitled to the Rights distribution, the exercise price, the dates and periods of exercise and any other terms specific to the Rights being offered; (vi) in the case of Warrants, the designation, number and terms of the Securities issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise and any other specific terms; and (vii) in the case of Units, the designation, number and terms of the Securities forming part of the Units, any procedures that will result in the adjustment of these numbers, the exercise price, the dates and periods of exercise, the currency in which the Units are issued and any other terms specific to the Units being offered. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Where required by statute, regulation or policy, and where the Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

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.

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. The Corporation may sell Securities to or through underwriters or dealers designated by the Corporation from time to time and may also sell Securities directly to purchasers pursuant to applicable statutory exemptions or through agents. Underwriters, dealers or agents with respect to the Securities sold to or through underwriters, dealers or agents will be named in the Prospectus Supplement relating to that particular offering of Securities. The Prospectus Supplement relating to a particular offering of Securities will also set forth the terms of the offering of 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 the Corporation 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.

No underwriter, dealer or agent has been involved in the preparation of this short form Prospectus or performed any review of the contents of this short form Prospectus. 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 short form Prospectus, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. These transactions, if commenced, may be interrupted or discontinued at any time. See "*Plan of Distribution*".

The Corporation's issued and outstanding Common Shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "PTF". The closing price of the Common Shares on the TSX-V on April 10, 2019, the last trading day prior to the filing of this Prospectus, was \$3.91.

Any offering of Securities other than Common Shares will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Securities to be offered thereunder

will not be listed on any securities exchange. **Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Securities other than Common Shares may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of such Securities in the secondary market (if any), the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation relating to such Securities. See "Risk Factors".**

Prospective investors should be aware that the purchase of Securities may have tax consequences that may not be fully described in this Prospectus or in any Prospectus Supplement, and should carefully review the tax discussion, if any, in the applicable Prospectus Supplement and in any event consult with a tax adviser.

Investors should rely only on the information contained or incorporated by reference in the Prospectus and any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide investors with different or additional information. If anyone provides investors with different or additional information, investors should not rely on it. The Corporation is not making an offer to sell or seeking an offer to buy Securities in any jurisdiction where the offer or sale is not permitted. Investors should assume that the information contained in the Prospectus and any applicable Prospectus Supplement is accurate only as at the date on the front of those documents and that information contained in any document incorporated by reference is accurate only as at the date of that document, regardless of the time of delivery of the Prospectus and any applicable Prospectus Supplement or of any sale of the Corporation's securities. The Corporation's business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in the Prospectus and any applicable Prospectus Supplement and the documents incorporated by reference in the Prospectus and any applicable Prospectus Supplement were obtained from market research, publicly available information, and/or industry publications. The Corporation believes that these sources are generally reliable, but the Corporation has not independently verified this information, and the Corporation does not make any representation as to the accuracy and completeness of this information.

An investment in the Securities is highly speculative due to the nature of the Corporation's business. An investment in Securities should only be made by those persons who can afford the loss of their entire investment. The risk factors described in this Prospectus and any Prospectus Supplement, as well as the documents incorporated by reference herein and therein, should be carefully reviewed and considered by prospective investors in connection with an investment in Securities. See "*Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors*" in this Prospectus, "*Cautionary Note Regarding Forward-Looking Information*" and "*Risk Factors*" in the AIF (as defined herein) and "*Risk Factors*" in the MD&A (as defined herein).

The head office of the Corporation is located at Suite 1640-1066 West Hastings Street, Vancouver, British Columbia, V6E3X1. The registered office of the Corporation is located at 2600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated herein by reference contain "forward-looking statements" and "forward-looking information" (collectively, "**forward-looking information**") within the meaning of applicable Canadian securities legislation. All information contained in this Prospectus and the documents incorporated herein by reference, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Corporation with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this Prospectus and the documents incorporated herein by reference is qualified by this cautionary note.

Forward-looking information in this Prospectus and the documents incorporated herein by reference includes, but is not limited to, statements with respect to: the future activities and performance of the Portfolio Companies (as described herein); the Corporation's investment approach, objectives and strategy, including its focus on specific sectors and development stage businesses; the various factors considered by the manager of the Company, PenderFund Capital Management Ltd. (the "**Manager**") and criteria evaluated in making investment decisions; the structuring of the Corporation's investments and its plans to manage its investments, including the potential for an affiliate or principal of the Manager to be appointed to the board of a Portfolio Corporation; the Corporation's financial performance; the Corporation's expectations regarding the performance of certain sectors; the Corporation's objective of achieving long-term capital appreciation for investors; the Corporation's intention to invest primarily in equity securities while supplementing its portfolio with investments in convertible or corporate debt; the Corporation's intention to invest primarily in Canadian domiciled businesses with investments in other markets being dependent on specific opportunities; statements regarding the Manager's intention to invest both actively and passively; the Manager determining to further invest or divest of investments; the Corporation's current intention not to pay dividends and the possibility of potentially paying dividends in the future; the possibility that the Manager may, in the future, provide management services to other parties, including venture capital funds, mutual funds or investment funds engaged in similar business to that of the Corporation; the effect on the Corporation of the future performance of the Portfolio Companies; potential future share issuances; and the frequency and method of calculation of the Corporation's net asset value.

In order to give such forward-looking information, the Corporation has made certain assumptions about the Corporation's business, the economy and the investment industry in general and has also assumed that the Corporation has adopted reasonable investment strategies; the Corporation has adopted a reasonable definition of risk, the Manager can accurately estimate regular or recurring expenses and no significant events occur outside of the Corporation's normal course of business. Although the assumptions were considered reasonable by management of the Corporation at the time the forward-looking information was given, there can be no assurance that such assumptions will prove to be accurate.

In addition, the following are material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information in this Prospectus and any documents incorporated herein by reference: changes in governmental regulation adverse to the Corporation; political and economic uncertainties; the inability of the Corporation to obtain additional financing when and as needed; dependence on a small number of key personnel; competition from other investment issuers; the Corporation's operating costs; the Corporation's ability to service debt obligations as they may arise and other related matters; the nature of the Corporation's investments; the available opportunities and competition for its investments; the concentration of its investments in One45 (as defined herein) and other significant investees; risks relating to such significant investees, including risk relating to operations, shareholder dilution, personnel, changing technology, market growth and product development; the concentration of its investments in certain industries and sectors, equity securities, Canadian domiciled businesses and private sector businesses; the limited number of Portfolio Companies in the Corporation's portfolio; the Corporation's dependence on its Manager; the risk that the Manager may provide investment opportunities well-suited for the Corporation to other businesses; the risk that the payment of a performance fee to the

Manager may create an incentive for it to cause the Company to make investments that are riskier or more speculative than if there were no performance fee; risks affecting the Corporation's Portfolio Companies and other investments; investments by the Corporation in private issuers which have illiquid securities, including risks related to the Company's ability to dispose of its investment in a Portfolio Company on satisfactory terms and to the Company's valuation of its investment portfolio; management of the growth of the Corporation; and other risks and factors referenced in the Corporation's AIF (as defined herein) under the heading "*Risk Factors*". Although the Corporation has attempted to identify material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Those factors are described or referred to elsewhere in this Prospectus under the heading "*Risk Factors*" and in other documents available on the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations.

All forward-looking information contained in this Prospectus and the documents incorporated in this Prospectus by reference is given as of the date hereof or as of the date specified in the documents incorporated by reference and is based upon the opinions and estimates of management and information available to management as at the date hereof. Except as otherwise required under applicable securities laws, the Corporation disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking information contained herein to reflect any change in expectations, estimates and projections with regard thereto or any changes in events, conditions or circumstances on which any statement is based. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. In addition to the disclosure contained herein, for more information concerning the Corporation's various risks and uncertainties, please refer to the Corporation's periodic public filings available under its profile on SEDAR at www.sedar.com.

CURRENCY AND PRESENTATION OF FINANCIAL STATEMENTS

Unless otherwise specified or the context otherwise requires, all references to "\$" are to Canadian dollars and all references to "US\$" are to United States dollars.

For reporting purposes, unless otherwise noted, the financial statements of the Corporation incorporated by reference in this Prospectus are presented in Canadian dollars. Unless otherwise indicated, all financial statements incorporated by reference into this Prospectus have been prepared in accordance with International Financial Reporting Standards as promulgated by the International Accounting Standards Board ("**IFRS**").

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the Qualifying Provinces. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Corporation at **Suite 1640 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 telephone: (604) 688-1511**. In addition, copies of documents incorporated by reference may be obtained electronically on the Corporation's SEDAR profile at www.sedar.com.

The following documents, filed with the securities commissions or similar authorities in the applicable provinces, are specifically incorporated by reference in, and form an integral part of, this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus:

- (a) the annual information form (the "**AIF**") of the Corporation dated March 19, 2019 for the year ended December 31, 2018;
- (b) the audited financial statements (the "**Annual Financial Statements**") of the Corporation as at and for the year ended December 31, 2018, together with the notes thereto and the report of the auditors thereon;

- (c) the management's discussion and analysis of financial condition and results of operations (the "MD&A") of the Corporation for the year ended December 31, 2018, dated as of March 19, 2019;
- (d) the material change report of the Corporation dated February 11, 2019, announcing the transition of the Corporation from the Canadian securities regulatory regime for investment funds to the Canadian securities regulatory regime for reporting issuers who are not investment funds; and
- (e) the management information circular of the Corporation dated April 18, 2018 relating to the annual and special meeting of the Shareholders held on May 23, 2018.

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

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

All information permitted by National Instrument 44-102 – *Shelf Distributions* to be omitted from this base shelf Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this base shelf Prospectus. Each shelf Prospectus Supplement will be incorporated by reference into this base shelf Prospectus for the purposes of securities legislation as of the date of the shelf Prospectus Supplement and only for the purposes of the distribution of the securities to which the shelf Prospectus Supplement pertains.

Upon a new annual information form and related annual audited consolidated financial statements and management's discussion and analysis being filed by the Corporation with, and where required, accepted by, the applicable securities regulatory authorities during the term of this Prospectus: (i) the previous annual information form, the previous annual audited consolidated financial statements and related management's discussion and analysis; (ii) all interim financial statements and related management's discussion and analysis, all material change reports and all business acquisition reports filed by the Corporation prior to the commencement of the Corporation's financial year in respect of which the new annual information form is filed; and (iii) any business acquisition report for acquisitions completed since the beginning of the financial year in respect of which the new annual information form is filed (only if such report is incorporated by reference into the current annual information form or at least nine months of the acquired business or related businesses operations are incorporated into the Corporation's current annual audited consolidated financial statements); and (iv) any information circular filed by the Corporation prior to the commencement of the Corporation's financial year in respect of which its current annual information form is filed, shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new interim financial statements and related management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities in 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 shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new information circular relating to an annual general meeting of shareholders being filed by the Corporation with applicable securities regulatory authorities in Canada subsequent to the date of this Prospectus and prior to the date on which this Prospectus ceases to be effective, the information circular for the preceding annual general meeting of shareholders shall be deemed no

longer to be incorporated by reference into this Prospectus for purposes of offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms of any Securities offered thereunder will be delivered to purchasers of such Securities together with this Prospectus to the extent required under applicable securities laws except in cases where an exemption from such delivery has been obtained and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement solely for the purposes of the Securities offered thereunder.

In addition, certain "marketing materials" (as defined in National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101")) may be used in connection with a distribution of Securities. Any "template version" (as defined in NI 41-101) of any marketing materials filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this short form Prospectus) will be deemed to be incorporated by reference in such Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

The Corporation has not provided or otherwise authorized any other person to provide purchasers with information other than as contained or incorporated by reference in this Prospectus or any Prospectus Supplement. If a purchaser is provided with different or inconsistent information, he or she should not rely on it.

THE CORPORATION

The Corporation is a publicly-listed diversified holding company focused on holding interests in businesses principally in the information technology and telecommunications sectors (each a "**Portfolio Company**").

The head office of the Corporation is located at Suite 1640-1066 West Hastings Street, Vancouver, British Columbia, V6E3X1. The registered office of the Corporation is located at 2600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Corporation currently is a reporting issuer in the provinces of British Columbia and Alberta.

The Common Shares are listed on the TSX-V under the symbol "PTF". The Corporation holds an 80% equity interest in One45 Software Incorporated ("**One45**"). One45 is considered a subsidiary of the Corporation.

On May 23, 2018, at the annual general meeting of shareholders of the Corporation, the shareholders authorized the transition of the Corporation from the Canadian securities regulatory regime for investment funds to the regulatory regime for reporting issuers that are not investment funds (the "**Corporate Issuer Regime**"). For additional information on the Corporation's transition to the Corporate Issuer Regime, see the sections titled "*Particulars of Matters to be Acted Upon – Background to the Proposed Transition, Effects of the Proposed Transition, Implementation of the Proposed Transition and Benefits of the Proposed Transition*" in the Corporation's management information circular dated April 18, 2018 available electronically on SEDAR under the Corporation's profile which can be accessed at www.sedar.com.

Investment Mandate

The Corporation invests opportunistically in the securities of both public and private companies. In seeking long-term capital appreciation, the Manager, on behalf of the Corporation, thoroughly evaluates the business prospects of each Portfolio Company over a long-term investment horizon. Regardless of whether a Portfolio Company is publicly-listed or privately-held, a long-term focus will remain paramount to the Manager's investment strategy on behalf of the Corporation.

The Corporation's investment mandate provides the Manager with flexibility to select investments for the Corporation in securities that it deems to have the highest risk adjusted returns at the time of investment. It is important to note that the Manager defines risk as a permanent loss of capital, which differs from volatility risk. This flexible mandate allows the Corporation to take advantage of market cycles and different security types for the benefit of its shareholders. Market cycles can provide opportunity as different industries, company stages or security types may become out of favour and attractively priced. As such, the Corporation may invest in both newly established and later-

stage businesses across a wide array of industries and security types dependent on opportunity. The majority of the Corporation's investments will be in common equity or preferred equity securities, which may be supplemented by smaller allocations to convertible debt or corporate debt. The Corporation will primarily invest in Canadian domiciled businesses but may invest globally dependent on opportunity.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capitalization of the Corporation since December 31, 2018, the date of the Annual Financial Statements, which are incorporated by reference into this Prospectus.

PLAN OF DISTRIBUTION

The Corporation may sell Securities to or through underwriters or dealers designated by the Corporation from time to time and may also sell Securities directly to purchasers pursuant to applicable statutory exemptions or through agents.

Underwriters, dealers or agents with respect to the Securities sold to or through underwriters, dealers or agents will be named in the Prospectus Supplement relating to that particular offering of Securities. 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 the Corporation 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. Such transactions may include those deemed to be "at the market distributions" as defined in National Instrument 44-102 – *Shelf Distributions* ("NI 44-102") including sales made directly on the TSX-V or other existing trading markets for the Securities. Without limiting the generality of the foregoing, the Corporation may also issue some or all of the Securities offered by this short form Prospectus in exchange for securities or assets of other entities which the Corporation may acquire in the future. The Corporation will obtain any requisite exemptive relief prior to conducting "at the market distributions".

The offering of Securities under this Prospectus will be made only in Canada and to residents thereof. The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and may not be offered, sold or delivered within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. If specified in the applicable Prospectus Supplement, the Corporation or the underwriters, dealers or agents in an offering of Securities will be entitled to offer and sell those Debt Securities to accredited investors or qualified institutional buyers, as applicable, in the United States provided such offers and sales are made pursuant to an exemption from the registration requirements under the U.S. Securities Act and in compliance with applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Any offering of Securities other than Common Shares will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Securities will not be listed on any securities exchange. Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Securities other than Common Shares may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Securities in the secondary market (if any), the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. A prospective investor should be aware that the purchase of Securities may have tax consequences both in Canada and the United States. Prospective investors should read the tax discussion, if any, in the applicable Prospectus Supplement and consult with an independent tax advisor. See "*Risk Factors*".

Underwriters, dealers or agents who participate in the distribution of Securities under this Prospectus may be entitled under agreements to be entered into with the Corporation to indemnification by the Corporation 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 may be customers of, engage in transactions with, or perform services for, the Corporation 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, other than an offering of Securities deemed to be an “at the market distribution” under NI 44-102, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. These transactions, if commenced, may be discontinued at any time. No underwriter or dealer involved in an “at the market distribution” as defined under NI 44-102, no affiliate of such underwriter or dealer and no person acting jointly or in concert with such underwriter or dealer has over-allotted, or will over-allot, any securities of the Corporation in connection with an offering of Securities or effect any transactions that are intended to stabilize the market price of the Corporation’s securities.

USE OF PROCEEDS

Unless otherwise indicated in a Prospectus Supplement relating to a particular offering of Securities, the net proceeds to be received by the Corporation from the issue and sale from time to time of the Securities will be added to the general funds of the Corporation to be used to for potential acquisitions, working capital and general corporate purposes.

The Company had negative cash flow from operating activities for the financial year ended December 31, 2018. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of the proceeds from any offering to fund such negative cash flow. See "*Risk Factors – Negative Cash Flow from Operating Activities*".

EARNINGS COVERAGE RATIO

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement(s) with respect to any offering and sale of Debt Securities having a term to maturity in excess of one year pursuant to this Prospectus.

DESCRIPTION OF COMMON SHARES

The following is a brief summary of the material attributes of the Common Shares. This summary does not purport to be complete.

The holders of Common Shares are entitled to one vote per share at all meetings of shareholders of the Corporation except separate meetings of the holders of another class or series of shares of the Corporation. Subject to the preferences accorded to holders of any class of shares of the Corporation ranking senior to or concurrent with the Common Shares, the Common Shares are entitled to dividends, if and when declared by the Corporation's board of directors. In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of all or substantially all of the assets of the Corporation, the holders of Common Shares are entitled to receive the amount available to the holders of Common Shares and the holders of Class R preference shares, in preference and priority to all other shareholders, remaining after distributions to the holders of Class R preference shares.

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities in respect of which a Prospectus Supplement will be filed. The particular terms and provisions of the 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. The Corporation may, from time to time, issue debt securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this short form Prospectus.

Debt Securities will be issued under one or more indentures (each, a "**Debt Indenture**"), in each case between the Corporation and an appropriately qualified entity authorized to carry on business as a trustee (each, a "**Trustee**"). The description below is not exhaustive and is subject to, and qualified in its entirety by reference to, the detailed provisions of the applicable Debt Indenture. Accordingly, reference should also be made to the applicable Debt Indenture, a copy of which will be filed by the Corporation with applicable provincial securities commissions or similar regulatory authorities in Canada after it has been entered into and before the issue of any Debt Securities thereunder and will be available electronically on SEDAR under the Corporation's profile which can be accessed at www.sedar.com.

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 supplement in a Prospectus Supplement and the detailed provisions of any Debt Indenture.

General

The Debt Securities may be issued from time to time in one or more series. The Corporation 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 short form Prospectus will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- any limit upon the aggregate principal amount of such Debt Securities;
- 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);
- the issue price (at par, at a discount or at a premium) of such Debt Securities;
- the date or dates on which such Debt Securities will be issued and delivered;
- 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);
- the rate or rates per annum (either fixed or floating, respectively) at which such Debt Securities will bear interest (if any) and, if floating, the method of determination of such rate;
- 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);
- if applicable, the provisions for subordination of such Debt Securities to other indebtedness of the Corporation;
- any redemption term or terms under which such Debt Securities may be defeased whether at or prior to maturity;

- any repayment or sinking fund provisions;
- any events of default applicable to such Debt Securities;
- 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;
- any exchange or conversion terms and any provisions for the adjustment thereof;
- if applicable, the ability of the Corporation 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 the Corporation or of any other entity, and any restriction(s) on the persons to whom such securities may be issued; and
- any other specific terms or covenants applicable to such Debt Securities.

The Corporation 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 short form 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 short form Prospectus, the description of such terms set forth in this short form Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities.

Unless otherwise specified in a Prospectus Supplement, the Debt Securities will be direct unsecured obligations of the Corporation and will rank *pari passu* (except as to sinking funds) with all other unsubordinated and unsecured indebtedness of the Corporation, including other debt securities issued under the Debt Indenture.

DESCRIPTION OF CONVERTIBLE SECURITIES

This description sets forth certain general terms and provisions that could apply to any Convertible Securities that the Corporation may issue pursuant to this Prospectus. The Corporation will provide particular terms and provisions of a series of Convertible Securities, and a description of how the general terms and provisions described below may apply to that series, in a Prospectus Supplement.

The Convertible Securities will be convertible or exchangeable into Common Shares and/or other Securities. The Convertible Securities convertible or exchangeable into Common Shares and/or other Securities may be offered separately or together with other Securities, as the case may be. The applicable Prospectus Supplement will include details of the agreement, indenture or other instrument to which such Convertible Securities will be created and issued. The following sets forth the general terms and provisions of such Convertible Securities under this Prospectus.

The particular terms of each issue of such Convertible Securities will be described in the related Prospectus Supplement. This description will include, where applicable: (i) the number of such Convertible Securities offered; (ii) the price at which such Convertible Securities will be offered; (iii) the procedures for the conversion or exchange of such Convertible Securities into or for Common Shares and/or other Securities; (iv) the number of Common Shares and/or other Securities that may be issued upon the conversion or exchange of such Convertible Securities; (v) the period or periods during which any conversion or exchange may or must occur; (vi) the designation and terms of any other Convertible Securities with which such Convertible Securities will be offered, if any; (vii) the gross proceeds from the sale of such Convertible Securities; and (viii) any other material terms and conditions of such Convertible Securities.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The Corporation may issue Subscription Receipts, independently or together with other securities. Subscription Receipts will be issued under one or more subscription receipt agreements.

A Subscription Receipt is a security of the Corporation that will entitle the holder to receive one or more Securities or combination of Securities, upon the completion of a transaction, typically an acquisition by the Corporation of the assets or securities of another entity. After the offering of Subscription Receipts, the subscription proceeds for the Subscription Receipts are held in escrow by the designated escrow agent, pending the completion of the transaction. Holders of Subscription Receipts will not have any rights of Shareholders of the Corporation. Holders of Subscription Receipts are only entitled to receive the Securities or a combination thereof upon the surrender of their Subscription Receipts to the escrow agent or to a return of the subscription price for the Subscription Receipts together with any payments in lieu of interest or other income earned on the subscription proceeds.

Selected provisions of the Subscription Receipts and the subscription receipt agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any subscription receipt agreement and Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable subscription receipt agreement.

The Prospectus Supplement will set forth the following terms relating to the Subscription Receipts being offered:

- the designation of the Subscription Receipts;
- the aggregate number of Subscription Receipts offered and the offering price;
- the terms, conditions and procedures for which the holders of Subscription Receipts will become entitled to receive Securities or a combination thereof;
- the number of Securities or a combination thereof that may be obtained upon the conversion of each Subscription Receipt and the period or periods during which any conversion must occur;
- the designation and terms of any other securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each security;
- the gross proceeds from the sale of such Subscription Receipts, including (if applicable) the terms applicable to the gross proceeds from the sale of such Subscription Receipts, plus any interest earned thereon;
- the material income tax consequences of owning, holding and disposing of such Subscription Receipts;
- whether such Subscription Receipts will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or conversion of the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

DESCRIPTION OF WARRANTS

This section describes the general terms that will apply to any Warrants for the purchase of Securities.

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants may be issued under a separate warrant indenture or warrant agency agreement to be entered into between the Corporation and one or more banks or trust companies acting as Warrant agent or may be issued as stand-alone contracts. The applicable Prospectus Supplement will include details of the Warrant agreements governing the Warrants being offered. The Warrant agent is expected to act solely as the agent of the Corporation and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. The following sets forth certain general terms and provisions of the Warrants offered under this short form base shelf Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be

set forth in the applicable Prospectus Supplement. A copy of any warrant indenture or any warrant agency agreement relating to an offering of Warrants will be filed with applicable provincial securities commissions or similar regulatory authorities in Canada after it has been entered into and before the issue of any Warrants thereunder, and will be available electronically on SEDAR under the Corporation's profile which can be accessed at www.sedar.com.

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

- the designation and aggregate number of the Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the class and/or number of Securities that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which the Securities may be purchased upon exercise of each Warrant;
- the terms of any provisions allowing for adjustment in (i) the class and/or number of Securities or other securities or property that may be purchased, or (ii) the exercise price per Security;
- whether the Corporation will issue fractional shares;
- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each security;
- the date or dates, if any, on or after which the Warrants and the related Securities will be transferable separately;
- whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions;
- whether the Corporation has applied to list the Warrants and/or the related Security on a stock exchange; and
- any other material terms or conditions of the Warrants.

DESCRIPTION OF RIGHTS

The Corporation may issue Rights to its shareholders for the purchase of Debt Securities, Common Shares or other Securities. These Rights may be issued independently or together with any other Security offered hereby and may or may not be transferable by the shareholder receiving the Rights in such offering. In connection with any offering of such Rights, the Corporation may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any Securities remaining unsubscribed for after such offering.

Each series of Rights will be issued under a separate rights agreement which the Corporation will enter into with a bank or trust company, as rights agent, all as set forth in the applicable Prospectus Supplement. The rights agent will act solely as the Corporation's agent in connection with the certificates relating to the Rights and will not assume any obligation or relationship of agency or trust with any holders of Rights certificates or beneficial owners of Rights.

The applicable Prospectus Supplement will describe the specific terms of any offering of Rights for which this Prospectus is being delivered, including the following:

- the date of determining the shareholders entitled to the Rights distribution;
- the number of Rights issued or to be issued to each shareholder;
- the exercise price payable for each share of Debt Securities, Common Shares or other Securities upon the exercise of the Rights;
- the number and terms of the shares of Debt Securities, Common Shares or other Securities which may be purchased per each Right;
- the extent to which the Rights are transferable;
- the date on which the holder's ability to exercise the Rights shall commence, and the date on which the Rights shall expire;
- the extent to which the Rights may include an over-subscription privilege with respect to unsubscribed Securities;
- if applicable, the material terms of any standby underwriting or purchase arrangement entered into by the Corporation in connection with the offering of such Rights; and
- any other terms of the Rights, including the terms, procedures, conditions and limitations relating to the exchange and exercise of the Rights.

DESCRIPTION OF UNITS

The Corporation may issue Units comprised of one or more of the other Securities described herein in any combination. The Prospectus Supplement relating to the particular Units offered thereby will describe the terms of such Units and, as applicable, the terms of such other Securities.

Each Unit is expected to be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit is expected to have the rights and obligations of a holder of each included Security. The Unit agreement under which a Unit is issued, as the case may be, may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The applicable Prospectus Supplement may describe:

- the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; and
- any other material terms and conditions of the Units.

The preceding description and any description of Units in an applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the Unit agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

PRIOR SALES

Prior sales of the Corporation's Securities will be provided as required in the applicable Prospectus Supplement(s) with respect to the issuance of Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX-V under the symbol "PTF". On April 10, 2019, the last trading day prior to the filing of this Prospectus, the closing price of the Common Shares on the TSX-V was \$3.91. Trading price and volume of the Common Shares will be provided as required for each Prospectus Supplement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will include a general summary of certain material Canadian federal income tax consequences which may be applicable to a purchaser of the Securities offered thereunder.

RISK FACTORS

Risk factors relating to the Corporation are discussed in the AIF and MD&A, which are incorporated by reference in this Prospectus.

The risk factors set out below, together with all of the risk factors and other information included or incorporated by reference in this Prospectus, should be carefully reviewed and considered before a decision is made to invest in any Securities qualified hereunder with an applicable Prospectus Supplement. Any of such risks could have a material adverse effect upon the Corporation and its business and future prospects. Such risks may not be the only risks facing the Corporation. Additional risks not currently known or that the Corporation currently considers to be immaterial may also impair the Corporation's business, operations and results of operation or cause the price of its securities to decline.

Risks Related to an Offering of Securities

Loss of Entire Investment

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

Allocation of Proceeds

The Corporation has discretion in the use of the net proceeds from an offering of Securities. The Corporation currently intends to allocate the net proceeds expected to be received from an offering of Securities as described under "Use of Proceeds" of this Prospectus or any Prospectus Supplement. However, the Corporation's management will have discretion in the actual application of the net proceeds, and the Corporation may elect to allocate proceeds differently from that described in "Use of Proceeds" if management believes it would be in the Corporation's best interests to do so. The failure by the Corporation's management to apply these funds effectively could have a material adverse effect on its business.

Risks Related To Listed Securities

Dilution of Existing Shareholders

The constating documents of the Corporation authorize the issuance of an unlimited number of Common Shares and an unlimited number of preference shares. The Corporation's board of directors has the authority to issue additional Common Shares to provide additional financing in the future and the issuance of any such Securities under this Prospectus and applicable Prospectus Supplement may result in a reduction of the book value (on a per share basis)

or market price of the outstanding Common Shares. If the Corporation does issue any additional Common Shares or other Securities convertible into or exchangeable or exercisable for, Common Shares, such issuance also will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuances could result in a change of control.

Public Markets and Share Prices

The market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSX-V or any other stock exchange could be subject to significant fluctuations in response to variations in the Corporation's financial results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSX-V or any other stock exchange regardless of the financial performance of the Corporation. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the financial performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSX-V or any other stock exchange. There can be no assurance of the price at which the Common Shares or any other Securities offered hereunder that become listed and posted for trading on the TSX-V or any other stock exchange will trade.

No Payment of Dividends

The Corporation has never declared nor paid any dividends on the Common Shares. The Corporation intends, for the foreseeable future, to retain future earnings, if any, to finance development activities. The payment of future dividends, if any, will be reviewed periodically by the Board of Directors and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, development and growth, and other factors that the Board of Directors may consider appropriate in the circumstances.

Risks Related to the Securities

Unlisted Securities

The Securities (other than the Common Shares) are not listed on any stock exchange and issuances of other Securities under this Prospectus and applicable Prospectus Supplement may not be listed and there may not be an established trading market for those Securities. Investors may be unable to sell the Securities at the prices desired or at all. There is no existing trading market for the Debt Securities, Convertible Securities, Subscription Receipts, Warrants, Rights or Units. As a result, there can be no assurance that a liquid market will develop or be maintained for those Securities, or that an investor will be able to sell any of those Securities at a particular time (if at all). The Corporation may not list the Debt Securities, Convertible Securities, Subscription Receipts, Warrants, Rights or Units on any Canadian or other securities exchange, and the Common Shares may be delisted or suspended. The liquidity of the trading market in those Securities, and the market price quoted for those securities, may be adversely affected by, among other things:

- changes in the overall market for those Securities;
- changes in the Corporation's financial performance or prospects;
- changes or perceived changes in the Corporation's creditworthiness;
- the prospects for companies in the industry generally;
- the number of holders of those Securities;
- the interest of securities dealers in making a market for those Securities; and
- prevailing interest rates.

Unsecured Debt Securities

The Debt Securities may be unsecured debt of the Corporation and, if so, will rank equally in right of payment with all other existing and future unsecured debt of the Corporation. Unless collateralized or guaranteed, the Debt Securities will be effectively subordinated to all existing and future secured debt of the Corporation to the extent of the assets securing such debt. If the Corporation is involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured debt securities, including if applicable, the Debt Securities. In that event, a holder of Debt Securities may not be able to recover any principal or interest due to it under the Debt Securities.

Changes in Interest Rates

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

Credit Risk

The likelihood that purchasers of Debt Securities will receive payments owing to them under the terms of the Debt Securities will depend on the financial health of the Corporation and its creditworthiness. The Corporation has limited financial resources and negative cash flow from its operations. The ability of the Corporation to satisfy its payment obligations under the Debt Securities, other than the conversion or payment of interest in Common Shares, as the case may be, will be dependent on its ability to generate cash flows or its ability to raise additional financing.

Tax Risk

Prospective investors should be aware that the purchase of Securities may have tax consequences both in Canada and the United States. Prospective investors should read the tax discussion, if any, in the applicable Prospectus Supplement and consult with an independent tax advisor.

Risks Related to the Business of the Corporation

Negative Cash Flow from Operating Activities

The Corporation did not achieve positive operating cash flow in its most recently completed financial year, and the Corporation may experience negative cash flow from operations in the future. The Corporation has incurred net losses in the past and may incur losses in the future unless it can derive sufficient revenues from its business. Such future losses could have an adverse effect on the market price of the Securities, which could cause investors to lose part or all of their investment.

Risks Related to the Disposition of the Corporation's Investments

The Corporation invests opportunistically in the securities of both public and private companies. In connection with the disposition of an investment in private securities, the Corporation may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of a business. The Corporation may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that the Corporation must satisfy through the return of payments previously paid to it. Additionally, in connection with the disposition of an investment in public securities as a selling securityholder pursuant to an offering document of the Portfolio Company, such as a prospectus, the Corporation may have responsibilities with respect to the contents of such offering document. The Corporation may incur costs in preparing such disclosure and may also be liable for certain costs should the contents of such disclosure turn out to be inaccurate.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants.

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada), 1066 West Hastings Street, Suite 1600, Vancouver, BC V6E 3X1.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement relating to any Securities offered, certain legal matters in connection with the offering of Securities will be passed upon on behalf of the Corporation by Bennett Jones LLP. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be.

PURCHASER'S STATUTORY RIGHTS

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 certain 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 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.

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

PURCHASER'S CONTRACTUAL RIGHTS

Original purchasers of Debt Securities, Subscription Receipts, Warrants or Rights (or Units comprised wholly or partly of such Securities) offered separately without other Securities, will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Debt Securities, Subscription Receipts, Warrants or Rights (or Units comprised wholly or partly of such Securities). The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, in addition to the amount paid on original purchase, upon surrender of the underlying Securities gained thereby, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that both: (i) the conversion, exchange or exercise; and (ii) the exercise of the contractual right of rescission take place within 180 days of the date of the purchase of the aforementioned Debt Securities, Subscription Receipts, Warrants or Rights (or Units comprised wholly or partly of such Securities) under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

CERTIFICATE OF THE CORPORATION

Dated: April 11, 2019.

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

David Barr (signed)

David Barr
Chief Executive Officer

Gina Jones (signed)

Gina Jones
Chief Financial Officer

On behalf of the Board of Directors

Kelly Edmison (signed)

Kelly Edmison
Director

Ian Power (signed)

Ian Power
Director