

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

*This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada other than the Province of Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base 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 authorized to sell such securities. **Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in the Provinces of Canada other than Québec.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at 82 Richmond Street East, Suite 201, Toronto, Ontario M5C 1P1, Telephone (416) 361-0737, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

*The securities offered under the short form base prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States, except in transactions exempt from the registration requirements of the 1933 Act and any applicable state securities laws. This preliminary short form base prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution."*

## **PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS**

New Issue

November 3, 2021

### **SINTANA ENERGY INC.**

**\$25,000,000**

**Common Shares**

**Debt Securities**

**Warrants**

**Subscription Receipts**

**Units**

Sintana Energy Inc. ("**Sintana Energy**" or the "**Corporation**") may offer and issue from time to time common shares of the Corporation ("**Common Shares**"), debt securities ("**Debt Securities**"), warrants to purchase Common Shares or Debt Securities (collectively "**Warrants**"), subscription receipts ("**Subscription Receipts**"), units ("**Units**") comprised of one or more of any of the other securities described herein (all of the foregoing collectively, the "**Securities**") or any combination thereof for up to aggregate gross proceeds of \$25,000,000 (or the equivalent thereof in other currencies) during the 25-month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains effective. The Corporation will provide the specific terms of any offering of Securities, including the specific terms of the Securities with respect to a particular offering and the terms of such offering, in one or more prospectus supplements (each a "**Prospectus Supplement**") to this Prospectus. The Securities may be offered separately or together or in any combination, and as separate series. An investor should read this Prospectus and the applicable Prospectus Supplement carefully before investing in any Securities.

All dollar amounts in this Prospectus are in Canadian dollars, unless otherwise indicated. See "Financial and Currency Information".

**Investing in the Securities involves significant risks. Prospective purchasers of the Securities should carefully consider the risk factors described under the heading “Risk Factors” in the Corporation’s annual information form for the financial year ended December 31, 2020, and in this Prospectus and in documents incorporated by reference in this Prospectus.**

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests, including, for example, an equity or debt security, or a statistical measure of economic or financial performance (including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items). For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers’ acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. federal funds rate.

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

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in those jurisdictions. The Corporation may offer and sell Securities to, or through, underwriters or dealers and also may offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers, or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities including, to the extent applicable, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**SEI**”, and on the over-the-counter market in the United States under the symbol “**ZDEXF**”. On November 2, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on each of the TSXV and the over-the-counter market was \$0.13 and US\$0.1044, respectively. See “Price Range and Trading Volume”. **Unless otherwise specified in the applicable Prospectus Supplement, Securities other than Common Shares will not be listed on any securities exchange. There is no market through which such Securities may be sold and purchasers may not be able to resell these Securities purchased under this Prospectus. This may affect the pricing of these Securities in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities, and the extent of issuer regulation. See “Risk Factors”.**

The registered office of the Corporation is located at Suite 3300, 421 7th Avenue SW, Calgary, Alberta T2P 4K9, and its principal business office is located at 82 Richmond Street East, Suite 201, Toronto, Ontario, M5C 1P1.

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

**Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of any investment under this Prospectus.**

**No person has been authorized to give any information relating to this Prospectus other than that contained or incorporated by reference in this Prospectus or any Prospectus Supplement, and if given, such other information must not be relied upon as having been authorized by the Corporation.**

The financial statements of the Corporation incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards.

#### **Agent for Service of Process**

Keith D. Spickelmier, Douglas G. Manner and Robert Bose, being directors of the Corporation, reside outside of Canada. Each of these directors has appointed Fogler Rubinoff LLP at Suite 3000, 77 King Street West, Toronto, Ontario, Canada, M5K 1G8, as his agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any of these directors, even though each such director has appointed an agent for service of process.

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## NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained and incorporated by reference herein, including, without limitation, financial and business prospects and financial outlooks, may be "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will," "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risks and uncertainties including those discussed under "Risk Factors" and elsewhere in this Prospectus and certain documents incorporated by reference including the AIF (as defined below). Although the forward-looking statements are based upon what management believes to be reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors management believes to be reasonable and relevant in the circumstances and at the date that such statements are made, management cannot assure readers that actual results will be consistent with these forward looking statements. Investors should not place undue reliance on forward-looking statements. Some of the assumptions underlying forward-looking statements contained or incorporated by reference in this short form prospectus include, without limitation, assumptions regarding the prospectivity of the Corporation's crude oil and natural gas interests, projected capital and operating costs, availability of financing, success of exploration and development activity, and the absence of materially adverse changes in equity markets that may impact the Corporation.

Forward-looking statements and other information contained herein concerning management's general expectations concerning the crude oil and natural gas industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data presented herein, the crude oil and natural gas resource industry involves risks and uncertainties and industry data is subject to change based on various factors.

Forward-looking statements included or incorporated by reference in this Prospectus include, but are not limited to, statements with respect to:

- Sintana's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic crude oil and/or natural gas reserves;
- future plans for the Corporation's current 30% carried participation interest in the unconventional resources and 100% participation interest in the conventional resources in the property known as the VMM-37 block located in the Middle Magdalena Valley Basin, Columbia, and other property interests which may be acquired on a going forward basis, if at all ("**VMM-37**");
- management's outlook regarding future trends;
- uncertainty regarding the market and economic impacts of COVID-19; and

- governmental regulation and environmental liability.

Forward-looking information is based on the reasonable assumptions, estimates, analyses and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the success of the exploration, development and production activities (if any) on VMM-37 and other property interests acquired by the Corporation from time to time; the availability of financing; the impact of increasing competition; the general stability of the economic, market and political environment in Canada, Colombia, Namibia and other applicable regions as a result of COVID-19 and otherwise; the timely receipt of all requisite permits and required regulatory approvals; the ability of the Corporation and/or its partners to obtain qualified staff, equipment and/or services in a timely and cost efficient manner; currency, exchange and/or interest rates; the applicable regulatory framework, taxes and/or other regulatory matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation and/or its partners to successfully complete proposed exploration and development programs.

Forward looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following:

- uncertainty regarding estimates of crude oil and natural gas reserves;
- economic factors as they affect exploration and development;
- the Corporation's ability to meet its working capital needs both in the short and long term;
- environmental liability;
- industry conditions, including fluctuations in the price of crude oil and natural gas;
- fluctuations in currency exchange rates;
- liabilities inherent in exploration and development, including processing and technical problems;
- competition for prospective crude oil and natural gas projects and qualified labour;
- anticipated and unanticipated costs;
- risks associated with operational accidents, changes in the regulatory environment and natural phenomena such as inclement weather, floods, and earthquakes, which could result in damage to property, facilities, equipment and/or other physical assets as well as injury to personnel;
- the Corporation's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies may have a conflict of interest;
- the market price for the Securities may be volatile;
- title claims relating to the property interests of the Corporation;
- failure to obtain third party permits, consents and/or approvals, when required, or at all;
- dilution of shareholders' investments as a result of the issuance of Securities;
- uncertainties associated with the economic and market impact related to COVID-19;
- availability of financing upon terms acceptable to the Corporation, or at all; and

- certain other risks detailed from time-to-time in the Corporation's public disclosure documents (including, without limitation, those risks identified herein and in the Interim MD&A (as defined below), Annual MD&A (as defined below) and AIF).

Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements and information (“**Information**”), there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Information. Accordingly, readers should not place undue reliance on forward-looking information.

The Information is presented as of the date of this Prospectus, or in the case of documents incorporated by reference herein, as of the date of such document, and the Corporation disclaims any intent or obligation to update publicly any Information, whether as a result of new Information, future events or results or otherwise unless as required by applicable securities laws.

## **FINANCIAL AND CURRENCY INFORMATION**

The Annual Financial Statements (as defined below), which were prepared in accordance with International Financial Reporting Standards, are incorporated by reference in this Prospectus, are reported in Canadian dollars.

This Prospectus contains references to United States dollars, and Canadian dollars. In this Prospectus, all references to “\$” or “dollars” are to Canadian dollars, references to “US\$” are references to United States dollars. All amounts are stated in Canadian dollars unless otherwise indicated. On November 2, 2021, (i) the daily rate of exchange, as quoted by the Bank of Canada, for Canadian dollars in terms of U.S. dollars was US\$1.00=\$1.2404 or \$1.00=US\$0.8062.

The following table reflects the high and low rates of exchange for one United States dollar, expressed in Canadian dollars, during the periods noted, the rates of exchange at the end of such periods, and the average rates of exchange during such periods, based on the Bank of Canada average daily exchange rate:

	<b>Six months ended,</b>		<b>Fiscal year ended,</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
High	1.2828	1.4496	1.4496	1.3527
Low	1.2040	1.2970	1.2718	1.3216
End of period	1.2394	1.3628	1.2732	1.2988
Average for period	1.2470	1.3651	1.3415	1.3269

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which have been filed with the various securities commissions in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, are specifically incorporated by reference into and form an integral part of, this Prospectus:

- (a) the annual information form of the Corporation for the year ended December 31, 2020 dated as of April 21, 2021 (the "**AIF**");
- (b) the audited consolidated annual financial statements of the Corporation for the fiscal years ended December 31, 2020 and 2019, together with the independent auditors' reports thereon and the notes thereto (the "**Annual Financial Statements**");
- (c) the unaudited consolidated interim financial statements of the Corporation for the six month periods ended June 30, 2021 and June 30, 2020, together with the notes thereto (the "**Interim Financial Statements**");
- (d) the management's discussion and analysis of the Corporation in respect of the Annual Financial Statements (the "**Annual MD&A**");
- (e) the management's discussion and analysis of the Corporation in respect of the Interim Financial Statements (the "**Interim MD&A**"); and
- (f) the management information circular of the Corporation dated October 13, 2021 in respect of the annual and special shareholders meeting of the Corporation to be held on November 19, 2021.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – Short Form Prospectus Distributions filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and all Prospectus Supplements disclosing additional or updated information filed pursuant to the requirements of applicable securities legislation in Canada and during the period that this Prospectus is effective shall be deemed to be incorporated by reference in this Prospectus. The documents incorporated and/or deemed to be incorporated herein by reference contain meaningful and material information relating to the Corporation and readers should review all information contained in this Prospectus and the documents incorporated and/or deemed to be incorporated herein by reference.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information relating to the Securities will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

Upon a new annual information form and related annual consolidated financial statements being filed by the Corporation with the applicable securities commissions or similar regulatory authorities during the duration that this Prospectus is effective, the previous annual information form, the previous annual consolidated financial statements and all interim consolidated financial statements, and in each case the accompanying management's discussion and analysis, information circulars (to the extent the disclosure is inconsistent) and material change reports filed prior to the commencement of the financial year of the Corporation in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offerings and sales of Securities under this Prospectus. Upon new interim consolidated financial statements and the accompanying management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities during the duration that this Prospectus is effective, all interim consolidated financial statements

and the accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offerings and sales of Securities under this Prospectus. In addition, upon a new management information circular for the annual meeting of shareholders being filed by the Corporation with the applicable securities regulatory authorities during the period that this Prospectus is effective, the previous management information circular filed in respect of the prior annual meeting of shareholders shall no longer be deemed to be incorporated into this Prospectus for purposes of future offerings and sales of Securities under this Prospectus.

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

Copies of the documents incorporated or deemed to be incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at 82 Richmond Street East, Suite 201, Toronto, Ontario M5C 1P1, Telephone (416) 361-0737, and are also available electronically at [www.sedar.com](http://www.sedar.com).

**The Corporation is not making an offer of the Securities in any jurisdiction where the offer is not permitted. It should be assumed that the information appearing in this Prospectus and the documents incorporated herein by reference are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Corporation may have changed since those dates.**

## AVAILABLE INFORMATION

The Corporation files reports and other information with the applicable securities commissions and similar regulatory authorities of Canada. These reports and information are available to the public free of charge on SEDAR at [www.sedar.com](http://www.sedar.com).

## THE CORPORATION

### General

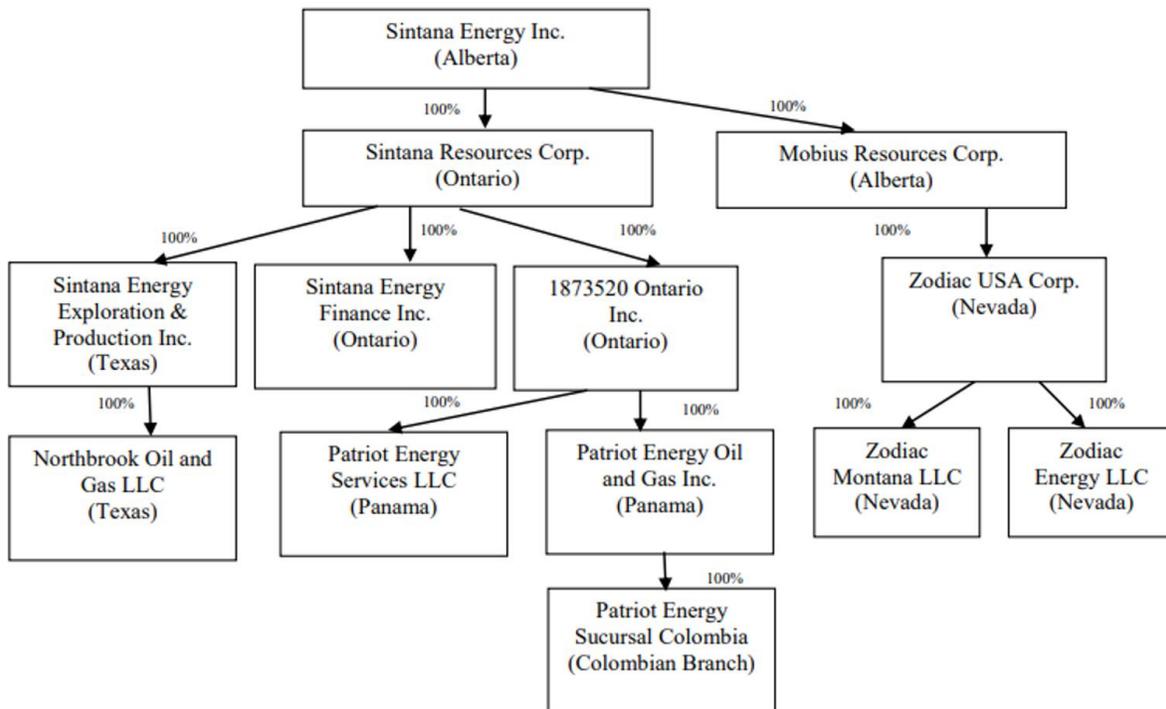
The Corporation was incorporated under the name "Nugget Resources Inc." on February 22, 1994 in the Province of Alberta. On March 12, 2008, the Corporation was continued into the Province of British Columbia. The Corporation changed its name to "Peninsula Resources Ltd." on May 8, 2008. The Corporation was continued under the *Business Corporations Act* (Alberta) (the "ABCA") on September 28, 2010 under the name "Zodiac Exploration Inc." in connection with a plan of arrangement. Articles of amendment were filed on May 1, 2014 to change the

name of the Corporation to “Mobius Resources Inc.” and to consolidate the common shares of the Corporation on the basis of one “new” common share (“**Common Share**”) for every 15 “old” common shares then outstanding. On August 6, 2015, articles of arrangement were filed giving effect to a plan of arrangement (the “**Plan of Arrangement**”) involving the amalgamation of an Ontario based company named Sintana Energy Inc. (“**Old Sintana**”) and 1935370 Ontario Inc. which was a wholly-owned subsidiary of the Corporation, resulting in the indirect acquisition of all of the issued and outstanding common shares of Old Sintana by the Corporation. In connection with the Plan of Arrangement, the Corporation filed articles of amendment on August 6, 2015 to change its name to “Sintana Energy Inc.”

The registered office of the Corporation is located at Suite 3300, 421 7th Avenue SW, Calgary, Alberta T2P 4K9, and its principal business office is located at 82 Richmond Street East, Suite 201, Toronto, Ontario, M5C 1P1.

The Corporation is a reporting issuer under applicable securities legislation in each of the provinces of Canada other than Quebec and the Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “SEI”, and on the over-the-counter market in the United States under the symbol “ZDEXF”.

The Corporation has two direct subsidiaries, being (i) Sintana Resources Corp. which exists under the laws of Ontario; and (ii) Mobius Resources Corp., which exists under the laws of Alberta. In addition, the Corporation also has several other indirect subsidiaries and a branch, all as further set forth below:



Further information regarding the consolidated business of the Corporation and its operations can be found in the AIF and other documents incorporated herein by reference.

## **CONSOLIDATED CAPITALIZATION**

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

## **EARNINGS COVERAGE RATIOS**

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

## **USE OF PROCEEDS**

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of Securities for cash will be used for general corporate purposes, including working capital, funding ongoing operations and/or capital requirements, reducing the level of indebtedness outstanding from time to time, discretionary capital programs, exploration, development and production (if any) of the Corporation's property interests and potential future acquisitions. Each Prospectus Supplement will contain specific information, if any, concerning the use of proceeds from that sale of Securities.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Corporation's funds, unless otherwise stated in the applicable Prospectus Supplement.

The Corporation incurred negative operating cash flow for the financial year ended December 31, 2020. The Corporation expects to use the net proceeds from the sale of Securities under the Prospectus in pursuit of objectives set out in the preceding paragraphs and as supplemented by each Prospectus Supplement; however, to the extent that the Corporation continues to have negative operating cash flows in future periods, it may need to deploy a portion of the net proceeds from the sale of Securities under the Prospectus and/or its existing working capital to fund such negative cash flow. In addition, the funds raised pursuant to any sale of Securities under the Prospectus may not be sufficient to fund the Corporation's objectives as set out above and as supplemented by Prospectus Supplements to this Prospectus. See "Risk Factors".

## **PLAN OF DISTRIBUTION**

The Corporation may sell the Securities, separately or together, to or through underwriters or dealers purchasing as principals for public offerings and sales by them, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities and the proceeds to the Corporation from sales of the Securities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in

connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Corporation.

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

In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities, the underwriters, dealers and/or agents may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

### **DESCRIPTION OF COMMON SHARES**

The Corporation is authorized to issue an unlimited number of Common Shares. There were 135,143,297 Common Shares issued and outstanding as of November 2, 2021.

Each Common Share carries the right to one vote. The holders of the Common Shares are entitled to receive notice of, to attend, and to vote at all meetings of the Corporation's shareholders. The Common Shares are entitled to receive dividends if, as and when declared by the directors, and rank pari passu with one another in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Corporation. The Common Shares carry no pre-emptive rights, conversion or exchange rights, retraction, sinking fund or purchase fund provisions. There are no provisions requiring the holders of the Common Shares to contribute additional capital and no restrictions on the issuance of additional securities by the Corporation. There are no restrictions on the repurchase or redemption of Common Shares by the Corporation except as any such repurchase or redemption would render the Corporation insolvent pursuant to the ABCA.

### **DESCRIPTION OF DEBT SECURITIES**

As of the date of this Prospectus, the Corporation has no Debt Securities outstanding other than convertible debentures in the aggregate principal amount of \$100,000, plus accumulated interest. The Corporation may issue Debt Securities, separately or together, with Common Shares, Warrants, Subscription Receipts and/or Units or any combination thereof, as the case may be. The Debt Securities will be issued under an indenture with a trustee to be named in a Prospectus Supplement. A copy of the indenture relating to an offering of Debt Securities will be filed by the Corporation with securities regulatory authorities in Canada after it has been entered into by the Corporation. The following describes the general terms that will apply to any Debt Securities

that may be offered by the Corporation pursuant to this Prospectus. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of the terms described below. The specific terms and provisions of the Debt Securities, and the extent to which the general terms of the Debt Securities described in this Prospectus apply to those Debt Securities, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution);
- the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable;
- the percentage of the principal amount at which such Debt Securities will be issued;
- the date or dates on which such Debt Securities will mature;
- any mandatory or optional redemption provisions applicable to the Debt Securities;
- any sinking fund or analogous redemption provisions applicable to the Debt Securities;
- the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- the dates on which any such interest will be payable and the record dates for such payments;
- the form of consideration for payment of any interest and/or principal payments (whether by cash, Common Shares or other securities, or a combination thereof);
- the trustee under the indenture pursuant to which the Debt Securities are to be issued;
- the designation and terms of such Debt Securities, and the number of Debt Securities that will be offered;
- any redemption term or terms under which such Debt Securities may be defeased;
- any exchange or conversion terms;
- any provisions relating to any security provided for the Debt Securities;
- event of default provisions contained in the indenture pursuant to which the Debt Securities are to be issued;
- whether the Debt Securities will be senior or subordinated to other liabilities of the Corporation;
- if applicable, the identity of the Debt Security agent;
- whether the Debt Securities will be listed on any securities exchange;
- whether the Debt Securities will be issued with any other securities and, if so, the amount and terms of these securities;
- any minimum or maximum subscription amount;
- whether the Debt Securities are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Debt Securities;
- material Canadian federal income tax consequences of owning the Debt Securities;
- any other rights, privileges, restrictions and/or conditions attaching to the Debt Securities; and
- any other material terms and/or conditions of the Debt Securities.

If the Corporation denominates the purchase price of any of the Debt Securities in a foreign currency or currencies or a foreign currency unit or units, or if the principal of and any premium and interest on any Debt Securities is payable in a foreign currency or currencies or a foreign currency unit or units, the Corporation will provide investors with information on the restrictions, elections, general tax considerations, specific terms and other information with respect to that issue of Debt Securities and such foreign currency or currencies or foreign currency unit or units in the applicable Prospectus Supplement. Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary. To the extent any Debt Securities are convertible into other securities, prior to such conversion the holders of such Debt Securities will not have any of the rights of holders of the securities into which the Debt Securities are convertible, including the right to receive payments of dividends or the right to vote such underlying securities.

## **DESCRIPTION OF WARRANTS**

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

- the number of Warrants offered;
- the price or prices, if any, at which the Warrants will be issued;
- the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution);
- the currency at which the Warrants will be offered and in which the exercise price under the Warrants may be payable;
- the securities for which the Warrants are exercisable;
- conditions to the exercise of Warrants into securities, and the consequences of such conditions not being satisfied;
- the number of securities that may be issued upon the exercise of each Warrant and the price per security or the aggregate principal amount, denominations and terms of the series of debt securities that may be issued upon exercise of the Warrant, and the events or conditions under which the amount of securities may be subject to adjustment;
- the date on which the right to exercise such Warrants shall commence and the date on which such right shall expire;
- the circumstances, if any, which will cause the Warrants to be deemed to be automatically exercised;
- if applicable, the identity of the Warrant agent;
- whether the Warrants will be listed on any securities exchange;

- whether the Warrants will be issued with any other securities and, if so, the amount and terms of these securities;
- any minimum or maximum subscription amount;
- whether the Warrants are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Warrants and the securities to be issued upon exercise of the Warrants;
- material Canadian federal income tax consequences of owning the Warrants and the securities to be issued upon exercise of the Warrants;
- any other rights, privileges, restrictions and/or conditions attaching to the Warrants and the securities to be issued upon exercise of the Warrants; and
- any other material terms and/or conditions of the Warrants and the securities to be issued upon exercise of the Warrants.

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

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

As of the date of this Prospectus, the Corporation has no Subscription Receipts outstanding. The Corporation may issue Subscription Receipts, separately or together, with Common Shares, Warrants, Debt Securities or Units or any combination thereof, as the case may be. The Subscription Receipts will be issued under an agreement or indenture. A copy of the Subscription Receipts agreement or indenture relating to an offering of Subscription Receipts will be filed by the Corporation with securities regulatory authorities in Canada after it has been entered into by the Corporation. The following describes the general terms that will apply to any Subscription Receipts that may be offered by the Corporation pursuant to this Prospectus. The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of the terms described below. The specific terms and provisions of the Subscription Receipts, and the extent to which the general terms of the Subscription Receipts described in this Prospectus apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts offered;
- the price or prices, if any, at which the Subscription Receipts will be issued;
- the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution);
- the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- the securities into which the Subscription Receipts may be exchanged;
- conditions to the exchange of Subscription Receipts into securities and the consequences of such conditions not being satisfied;
- the number of securities that may be issued upon the exchange of each Subscription Receipt and the price per security or the aggregate principal amount, denominations and terms of the series of debt securities that may be issued upon exchange of the

Subscription Receipts, and the events or conditions under which the amount of securities may be subject to adjustment;

- the dates or periods during which the Subscription Receipts may be exchanged;
- the circumstances, if any, which will cause the Subscription Receipts to be deemed to be automatically exchanged;
- provisions applicable to any escrow of the gross or net proceeds from the sale of the Subscription Receipts plus any interest or income earned thereon, and for the release of such proceeds from such escrow;
- if applicable, the identity of the Subscription Receipt agent;
- whether the Subscription Receipts will be listed on any securities exchange;
- whether the Subscription Receipts will be issued with any other securities and, if so, the amount and terms of these securities;
- any minimum or maximum subscription amount;
- whether the Subscription Receipts are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts;
- material Canadian federal income tax consequences of owning the Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts;
- any other rights, privileges, restrictions and/or conditions attaching to the Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts; and
- any other material terms and/or conditions of the Subscription Receipts and the securities to be issued upon exchange of the Subscription Receipts.

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

## **DESCRIPTION OF UNITS**

The Corporation may issue Units, separately or together, with Common Shares, Warrants, Subscription Receipts, or Debt Securities or any combination thereof, as the case may be. Each Unit will be issued so that the holder of the Unit is also the holder of each Security comprising the Unit, and as such will have the rights and obligations of a holder of each such Security. The following describes the general terms that will apply to any Units that may be offered by the Corporation pursuant to this Prospectus. The terms and provisions of any Units offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of the terms described below. The specific terms and provisions of the Units, and the extent to which the general terms of the Units described in this Prospectus apply to those Units, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

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

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

### **PRIOR SALES**

The following table contains details of the prior sales of securities by the Corporation during the 12 months preceding the date of this Prospectus:

<b>Date of Issue</b>	<b>Type of Securities</b>	<b>Number of Securities</b>	<b>Issue or Exercise or Conversion Price per Security</b>
December 18, 2020	Stock Options	2,150,000	\$0.10
	Restricted Share Units	1,950,000	N/A
February 4, 2021	Common Shares	1,950,000	(1)
February 21, 2021	Common Shares	630,000	\$0.10 <sup>(2)</sup>
April 26, 2021	Common Shares	400,000	\$0.10 <sup>(3)</sup>
April 30, 2021	Common Shares	890,000	\$0.10 <sup>(2)</sup>
July 28, 2021	Common Shares	875,000	\$0.10 <sup>(2)</sup>

(1) Issued upon the vesting of restricted share units of the Corporation.

(2) Issued upon the exercise of share purchase warrants of the Corporation.

(3) Issued upon the exercise of stock options of the Corporation.

### **PRICE RANGE AND TRADING VOLUME**

The principal market on which the Common Shares trade is the TSXV. The Common Shares also trade on the over-the-counter market in the United States. The following tables set forth the reported intraday high and low prices and the aggregate volume of trading of the Common Shares on the TSXV for the periods indicated during the 12-month period prior to the date of this Prospectus:

Month	High	Low	Volume
November 2021 <sup>(1)</sup>	\$0.14	\$.0125	173,704
October 2021	0.175	0.095	3,054,003
September 2021	0.14	0.06	5,812,735
August 2021	0.21	0.06	8,904,581
July 2021	0.23	0.13	327,369
June 2021	0.16	0.14	178,692
May 2021	0.20	0.15	213,374
April 2021	0.24	0.15	860,548
March 2021	0.23	0.12	2,019,942
February 2021	0.13	0.11	743,688
January 2021	0.14	0.09	852,998
December 2020	0.10	0.08	737,578
November 2020	0.09	0.09	892,442

(1) Reflecting the period from November 1, 2021 to November 2, 2021, inclusive.

The closing price of the Common Shares on the TSXV on November 2, 2021 was \$0.13.

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

The Corporation's transfer agent and registrar is Computershare Trust Company of Canada, 530 8th Avenue, 6th Floor, Calgary, Alberta, T2P 3S8.

The Corporation's Audit Committee is currently comprised of Messrs. Robert Bose, Dean Gendron and Bruno Maruzzo. As defined in NI 52-110, each of these individuals is currently considered to be "independent" of the Corporation and "financially literate".

Mr. Bose is a principal at Charlestown Capital Advisors ("Charlestown"), a private investment firm founded in 2005 that is located in New York City. At Charlestown, Mr. Bose primarily focuses on public and private equity investments in commodities. Prior to joining Charlestown, Mr. Bose spent 17 years in the Global Investment Banking Group at the Bank of Nova Scotia, most recently as Managing Director and Head of the Power & Utilities Group. There, he was specifically focused on providing M&A and capital markets coverage to financial sponsors with interests in the energy and power sectors. Mr. Bose has an Honors Degree in Economics from Queen's University in Kingston, Ontario and is a CFA Charterholder.

Mr. Bruno C. Maruzzo has been the President (principal) of TechnoVenture Inc., a Toronto based business consulting company, since May 2007. Mr. Maruzzo served as the Director of Corporate Development of GeneNews Ltd., a Richmond Hill based molecular diagnostic company, from November 2002 until April 2007. Mr. Maruzzo has also served on the audit committees of Pinetree Capital Ltd., Critical Outcome Technologies Inc., Hamilton Thorne Limited (formerly Calotto Capital Inc.) and Diagnos Inc. Mr. Maruzzo has over 20 years of experience in working with small to medium size technology companies as well as in venture capital investing in technology oriented companies. Mr. Maruzzo holds a BSc in Electrical

Engineering from the University of Waterloo, an MASc in Biomedical Engineering and an MBA, both from the University of Toronto.

Mr. Gendron is the founder, President and Chief Executive Officer of RedaN Capital Incorporated, a company that provides mergers and acquisitions and corporate finance advisory services. Mr. Gendron was the Regional Manager of Solantus Inc. from October 2014 until January 2018. From April 2011 to September 2011, Mr. Gendron was the Interim Chief Executive Officer of Blue Gold Canada Ltd., a supplier of nanotechnology products for water purification. From February 2007 to October 2009, Mr. Gendron was the Chairman of the Board, President, Chief Executive Officer and founder of Calotto Capital Inc., a predecessor to Hamilton Thorne Ltd., a TSXV listed company. Previously, Mr. Gendron provided leadership in the financing and growth of Critical Outcome Technologies Inc., a drug discovery and development company, including its reverse takeover of Aviator Petroleum Corp., a TSXV listed capital pool company, and served as a director from April 2006 to September 2008. Mr. Gendron was also the President and Chief Executive Officer of DDP Therapeutics, an early stage drug development company. Mr. Gendron is also a founder and until May 2014, a Director of KCC Capital Corporation, a TSXV listed capital pool company. He is a past member of the TSXV Ontario Advisory Committee and the TSXV National Advisory Committee.

## **LEGAL OPINIONS AND EXPERTS**

Certain Canadian legal matters relating to the offering of Securities hereunder will be passed upon on behalf of the Corporation by Fogler Rubinoff LLP.

### ***Interests of Experts***

As of November 3, 2021, the partners and associates of Fogler Rubinoff LLP, as a group, own Common Shares representing less than 1% of all of the issued and outstanding Common Shares.

The Annual Financial Statements incorporated by reference in this Prospectus have been audited by MNP LLP. MNP LLP has advised the Corporation that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

## **RISK FACTORS**

Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated by reference herein, including the applicable Prospectus Supplement. There are certain risks inherent in an investment in the Securities, including the factors described under the heading “Risk Factors” in the AIF, and any other risk factors described herein or in a document incorporated by reference herein, which investors should carefully consider before investing. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement. Some of the factors described herein, in the documents incorporated by reference herein, and/or the applicable Prospectus Supplement are inter-related and, consequently, investors should treat such risk factors as a whole. If any of the risk factors described herein, in the AIF, in another document incorporated by reference herein or in the applicable Prospectus Supplement occur, it could have a material adverse effect on the business, financial condition and results of operations of the Corporation. Additional risks and uncertainties of which the Corporation currently is unaware or that are unknown or that it currently deems to be immaterial could have a material adverse effect on the Corporation’s

business, financial condition and results of operation. The Corporation cannot assure purchasers that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the risks described herein, in the AIF, in the other documents incorporated by reference herein or in the applicable Prospectus Supplement or other unforeseen risks.

### **PURCHASERS' 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 or a prospectus supplement (including a pricing supplement) relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages, if the prospectus or prospectus supplement (including a pricing supplement) relating to the securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation (including, if offered separately, Warrants, Subscription Receipts, and convertible or exchangeable debt securities) will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. Other than in the case of an offering of Warrants, Subscription Receipts, or convertible or exchangeable debt securities that may reasonably be regarded as incidental to the offering as a whole, the contractual right of rescission will entitle such original purchasers to receive the original amount paid for the convertible securities and any additional amount paid upon the conversion, exchange or exercise of such securities, 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: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase 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 130.1 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130.1 the *Securities Act* (Ontario) or otherwise at law.

Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the Securities that were purchased under a prospectus, and therefore, a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights, or consult with a legal advisor.

## CERTIFICATE OF THE CORPORATION

Dated: November 3, 2021

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in all of the Provinces of Canada other than Québec.

*(Signed) "Douglas G. Manner"*

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Douglas G. Manner  
Chief Executive Officer

*(Signed) "Carmelo Marrelli"*

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Carmelo Marrelli  
Chief Financial Officer

On behalf of the Board of Directors

*(Signed) "Keith D. Spickelmier"*

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Keith D. Spickelmier  
Director

*(Signed) "Bruno Maruzzo"*

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Bruno Maruzzo  
Director