

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta, and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

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

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of ReGen III Corp. at 400 Burrard Street, Suite 1750, Vancouver British Columbia, V6C 3A6, telephone (604)806-5275, and are also available electronically at www.sedar.com. See "Documents Incorporated by Reference".

New Issue

June 2, 2021



ReGen III Corp.
8,000,000 Common Shares
\$10,000,000

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 8,000,000 common shares (the "**Common Shares**") in the capital of ReGen III Corp. ("**ReGen**" or the "**Corporation**") at a price of \$1.25 per Common Share (the "**Offering Price**"). The Common Shares will be issued pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated June 2, 2021, among the Corporation, Paradigm Capital Inc. (the "**Lead Underwriter**"), Canaccord Genuity Corp., Haywood Securities Inc., and Cormark Securities Inc. (together with the Lead Underwriter, the "**Underwriters**"). See "**Plan of Distribution**".

The Common Shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "GIII". On May 26, 2021, the last full trading day prior to the announcement of the Offering, the closing price per Common Share on the TSXV was \$1.36. The Common Shares are also listed on the OTCQB of the OTC Market Group under the trading symbol "ISRJF" and on the Frankfurt Stock Exchange under the symbol "PN4".

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriters' Fee⁽²⁾</u>	<u>Net Proceeds to the Corporation⁽²⁾⁽³⁾</u>
Per Common Share	\$1.25	\$0.075	\$1.175
Total	\$10,000,000	\$543,750	\$9,456,250

⁽¹⁾ The Offering Price was determined by arm's length negotiation between the Lead Underwriter, on behalf of the Underwriters, and the Corporation, with reference to the prevailing market price of the Common Shares on the TSXV.

⁽²⁾ The Corporation has agreed to pay the Underwriters a cash commission equal to 6.0% of the gross proceeds of the Offering (the "**Underwriters' Fee**"). The Corporation has also agreed to issue to the Underwriters, as additional consideration, that number of non-transferable compensation options (the "**Compensation Options**") as is equal to 6.0% of the number of Common Shares sold pursuant to the Offering. Each Compensation Option is exercisable to purchase one Common Share (each a "Compensation Option Share") at the Offering Price for a period of 24 months from the Closing Date. Notwithstanding the foregoing, a reduced Underwriters' Fee of 3.0% in cash and 3.0% in Compensation Options is payable in respect of up to 1,500,000 Common Shares which may be sold to certain purchasers designated by the Corporation to be on its president's list (the "**President's List**"). This Prospectus also qualifies the distribution of the Compensation Options.

⁽³⁾ After deducting the Underwriters' Fee, but before deducting expenses of the Offering, including in connection with the preparation and filing of this Prospectus, which are estimated to be \$300,000, which will be paid from the gross proceeds of the Offering.

The Corporation has granted the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Underwriters, for a period of 30 days from

the date of the receipt for the final short form Prospectus, to purchase up to an additional amount of Common Shares equal to 15% of the Common Shares sold pursuant to the Offering, being 1,200,000 Common Shares (the “**Over-Allotment Shares**”), at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercisable by the Underwriters in respect of Over-Allotment Shares at the Offering Price, so long as the aggregate number of Over-Allotment Shares which may be issued under the Over-Allotment Option does not exceed 1,200,000 Over-Allotment Shares. The grant of the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option is hereby qualified for distribution under this Prospectus.

A purchaser who acquires Over-Allotment Shares issuable on the exercise of the Over-Allotment Option, forming part of the Underwriters’ over-allocation position, acquires such Over-Allotment Shares under this Prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Underwriters’ Fee”, and “Net Proceeds” to the Corporation (before payment of the expenses of the Offering) will be approximately \$11,500,000, \$633,750, and \$10,866,250, respectively. See “*Plan of Distribution*” and the table below:

<u>Underwriters’ Position</u>	<u>Number of Over- Allotment Shares Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option ⁽¹⁾	1,200,000 Over-Allotment Shares	Up to 30 days from the Closing Date	\$1.25 per Over-Allotment Share

⁽¹⁾ This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of all securities issuable thereunder. See “*Plan of Distribution*”.

The following table sets out the securities that may be issued by the Corporation pursuant to the Compensation Options:

<u>Underwriters’ Position</u>	<u>Maximum size or number of securities</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Compensation Options ⁽¹⁾	435,000 Compensation Options ⁽²⁾	24 months from the Closing Date	\$1.25 per Compensation Option

⁽¹⁾ This Prospectus qualifies the grant of the Compensation Options. See “*Plan of Distribution*”.

⁽²⁾ Assuming full exercise of the Over-Allotment Option, a total of 507,000 Compensation Options will be issuable.

Unless the context otherwise requires, when used herein, all references to the “Offering” and “Common Shares” assumes the exercise of the Over-Allotment Option and includes all securities issuable thereunder.

Investing in the Common Shares is speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See “*Risk Factors*”.

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Corporation by Cassels Brock & Blackwell LLP and on behalf of the Underwriters by Bennett Jones LLP.

Subscriptions for Common Shares will be received 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 of the Offering is expected to take place on or about June 17, 2021, or on such other date as may be agreed upon by the Corporation and the Underwriters (the “**Closing Date**”) and, in any event, on or before a date not later than 42 days after the date of receipt of the final Prospectus.

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. After the Underwriters have made reasonable efforts to sell all of the Common Shares at the Offering Price, the Offering Price may be decreased, and further changed from time to time, to an amount not greater than the Offering Price. Any such reduction will not affect the proceeds received by the Corporation. See “*Plan of Distribution*”.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, territorial, local, foreign and other tax consequences of acquiring, holding or disposing of the Common Shares.

ReGen has prepared its financial statements, incorporated herein by reference, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board which is incorporated within Part 1 of the CPA Canada Handbook – Accounting, and its consolidated financial statements are subject to Canadian generally accepted auditing standards and auditor independence standards.

Unless otherwise indicated, all references to “\$”, “C\$”, or “dollars” in this Prospectus refer to Canadian dollars.

The registered office of the Corporation is located at Suite 3810, Bankers Hall West, 888 3 St SW, Calgary, AB, T2P 5C5. The head office of the Corporation is located at 400 Burrard Street, Suite 1750, Vancouver British Columbia, V6C 3A6.

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ABOUT THIS PROSPECTUS

Unless otherwise noted or the context indicates otherwise, the “**Corporation**” and “**ReGen**” refer to ReGen III Corp. and the Corporation’s wholly-owned subsidiary ReGen III (Alberta) Inc.

Readers should rely only on information contained or incorporated by reference in this Prospectus. The Corporation has not authorized anyone to provide the reader with different information. The Corporation and the Underwriters are not making an offer to sell or seeking offers to buy the Common Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Common Shares. The Corporation’s business, financial condition, results of operations and prospects may have changed since that date. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

CURRENCY AND EXCHANGE RATE INFORMATION

This Prospectus contains references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to “US\$” are to United States dollars and references to “\$” or “C\$” are to Canadian dollars. The following table sets forth, for each of the periods indicated, the high, low, and average exchange rates, and the exchange rate at the end of the period, for the conversion of one United States dollar into the Canadian dollar equivalent, based on the indicative exchange rate as reported by the Bank of Canada.

	Year ended December 31		Quarter Ended March 31	
	2020	2019	2021	2020
High	\$1.4496	\$1.3600	\$1.2828	\$1.4496
Low	\$1.2718	\$1.2988	\$1.2455	\$1.2970
Average	\$1.3415	\$1.3269	\$1.2660	\$1.3449
Rate at end of period	\$1.2732	\$1.2988	\$1.2575	\$1.4187

On June 1, 2021, the exchange rate for United States dollars expressed in terms of the Canadian dollar, as reported by the Bank of Canada, was US\$1.00 = C\$1.20.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation (collectively referred to herein as “**forward-looking information**” or “**forward-looking statements**”). Forward-looking statements are included to provide information about management’s current expectations and plans that allows investors and others to get a better understanding of the Corporation’s operating environment, the business operations and financial performance and condition. Forward-looking information is provided as of the date of this Prospectus and the Corporation does not intend, and does not assume any obligation, to update this forward-looking information, except as required by law.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved (or the negative of any of these terms and similar expressions)) are not statements of fact and may be forward-looking statements. Forward-looking statements include, but are not limited to statements regarding:

- increasing demand for efficient UMO re-refining and resource conservation;
- future development of the ReGen™ technology;
- pending patent applications and future improvements to existing patents;
- project development plans for each of the Alberta Facility and USGC Facility;
- estimated capital expenditures for the development of each of the Alberta Facility and USGC Facility;

- estimated duration of the required steps for the development of each of the Alberta Facility and USGC Facility;
- the quantum of UMO and used lubricating oils to be processed annually at the proposed USGC Facility;
- required registrations, conditions, permits and other regulatory approvals for the development of each of the Alberta Facility and USGC Facility;
- ongoing discussions between the Corporation and Parkland with respect to the dispute over the Parkland Lease;
- the possible termination of the Parkland Lease (defined below), Elbow PSA (defined below) and possible impact on the Corporation's business as a result thereof;
- the timing of receipt of results for pilot testing for the design of the USGC Facility;
- the total gross proceeds from the Offering and estimated expenses of the Offering;
- the ability of the Corporation to secure sufficient funding for the development of either of the Facilities;
- the continuing availability of financing from Export Development Canada ("EDC") for the development of the Alberta Facility;
- the possibility of EDC providing financing for the USGC Facility;
- exploration of opportunities by the Corporation to develop other re-refinery facilities at other locations in Canada, the United States, Mexico, South America, Europe, Australia and other markets;
- opportunities to license the ReGen™ technology to access non-core markets;
- accelerated market penetration of the ReGen technology;
- the marketing of the Corporation's products by Elbow River (defined below);
- obligations of the Corporation to remediate land at the site subject to the Parkland Lease;
- reimbursement of costs by the Corporation to Parkland and the estimated quantum thereof;
- the purchase of the Corporation's products by BP (defined below) pursuant to the BP Offtake Agreement (defined below);
- the possible termination of the BP Offtake Agreement if the Corporation fails to meet certain development timelines and conditions for the USGC Facility;
- expected location of sources for UMO feedstock for the Facilities, the ability of the Corporation to secure the necessary quantum of feedstock for the Facilities;
- the spot market prices of Group III and Group II base lubricating oils;
- the Corporation's intentions to enter into binding feedstock supply contracts and the ability to enter into such contracts with commercial counterparties with existing non-binding letters of intent;
- additional potential financing sources;
- the ability to establish a competitive advantage and the Corporation's competitive position in the re-refining industry;
- future inflation;
- projected production (on a bpd basis) at the Alberta Facility and the USGC Facility;
- projected revenues to be generated at the Alberta Facility and USGC Facility;
- the ability of the Corporation's technology to qualify for greenhouse gas ("GHG") credits and the potential generation of revenue from the sale of such credits;
- the ability of the Corporation's technology to reduce GHG emissions, and the annual quantum of such reductions;
- the anticipated use of proceeds of the Offering; the timing for completion of the Offering;
- the sufficiency of the net proceeds from the Offering to complete all preliminary steps for the development of the USGC Facility prior to the determination of a final investment decision;
- the timing of a final investment decision with respect to each of the Alberta Facility and USGC Facility;
- the amount of future capital, and type and sources thereof, that the Corporation will be required in order to meet its long-term business objectives;
- possible sources of capital for the Corporation;
- factors that could affect the availability of financing and progress and results of the Facilities;
- the exercise of the Over-Allotment Option; regulatory and government approvals for the Offering;
- listing of the Common Shares on the TSXV and ability of the Corporation to fulfill all listing requirements of the TSXV; and
- the anticipated trading price of the Common Shares.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Corporation at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Corporation's actual financial results,

performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation: the future price of UMOs (defined below); anticipated costs and the Corporation's ability to fund its business, including the Facilities (defined below); future acquisitions; the Corporation's ability to meet obligations under material agreements; the timely receipt of required approvals and permits, including environmental permits and those required for the construction and operation of the Facilities; the costs of construction and operation expenditures; the Corporation's ability to operate in a safe, efficient and effective manner; the ability to secure locations for its Facilities; the ability to commercialize its technology; and the Corporation's ability to obtain financing as and when required and on reasonable terms.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others:

- the availability of liquidity and capital resources;
- the Corporation's discretion in the use of proceeds from the Offering;
- volatility in the trading price for the Common Shares;
- sales of a significant number of Common Shares in the public markets could depress the market price of Common Shares;
- the Corporation may issue additional securities in the future causing dilution;
- potential liquidation preferences attached to the Preferred Shares (defined below);
- negative operating cash flow of the Corporation;
- delays in or an inability to build and operate the Facilities;
- a potential inability to use the Facilities once construction is completed;
- changes in the condition of third parties the Corporation relies on including current customers, suppliers and subcontractors;
- maintaining trademarks and other intellectual property licenses;
- risks related to potential acquisitions;
- an inability to obtain new customers;
- reliance on key contracts;
- increased use of alternative fuel sources;
- public scrutiny;
- relationships with suppliers and customers;
- an inability to obtain suitable insurance coverage;
- liquidity risks;
- an inability to procure financing;
- future litigation or regulatory inquiries;
- risks related to the COVID-19 pandemic;
- volatile global financial conditions;
- fluctuations in currency exchange rates, particularly the Canadian-US currency exchange rate;
- fluctuations in oil prices;
- demand for the Corporation's products;
- an inability to obtain more UMO feedstock;
- health, safety and environmental regulations;
- competition;
- cybersecurity risks;
- a dependence on key personnel and contractors, including personnel and contractors to design, construct, operate and maintain the Facilities;
- acts of unexpected disasters or crises;
- potential conflicts of interest;
- the Corporation's history of not paying dividends; and
- a failure of risk management or internal control systems.

This list is not exhaustive of the factors that may affect any of the Corporation's forward-looking statements. Although the Corporation believes its expectations are based upon reasonable assumptions and have attempted to identify important

factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See the section entitled “Risk Factors” below, and in the section entitled “Risk Factors” in the Annual Information Form (defined below), and incorporated by reference herein, for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this Prospectus and, accordingly, are subject to change after such date. The Corporation disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Corporation’s filings with Canadian securities regulatory authorities, which can be viewed online under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. Neither the Corporation nor the Underwriters have independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and Bennett Jones LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder, in force as of the date hereof, the Common Shares if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”), provided that the Common Shares are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV) or the Corporation qualifies as a “public corporation” (as defined in the Tax Act).

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (the “**Controlling Individual**”) will be subject to a penalty tax in respect of the Common Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Common Share generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Common Shares will be a prohibited investment in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this Prospectus from documents filed with the securities commissions or similar authorities in British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of ReGen III Corp. at 400 Burrard Street, Suite 1750, Vancouver British Columbia, V6C 3A6, and are also available electronically under the Corporation’s profile at www.sedar.com. The filings of the Corporation through SEDAR are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents, filed by the Corporation with the securities commissions or similar authorities in British Columbia, Alberta and Ontario are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Corporation dated April 30, 2021, for the financial year ended December 31, 2020 (the “**Annual Information Form**”);
- (b) the Corporation’s audited consolidated financial statements as at and for the financial years ended December 31, 2020 and December 31, 2019, and related notes thereto, together with the independent auditors’ report thereon (the “**Annual Financial Statements**”);
- (c) the Corporation’s unaudited condensed consolidated interim financial statements as at and for the three months ended March 31, 2021, and March 31, 2020, and related notes thereto (the “**Interim Financial Statements**”);
- (d) the management’s discussion and analysis for the financial year ended December 31, 2020;
- (e) the management’s discussion and analysis for the three months ended March 31, 2021 (the “**Interim MD&A**”);
- (f) the management information circular of the Corporation dated March 24, 2021, in connection with the annual and special meeting of shareholders of the Corporation held on April 30, 2021;
- (g) the material change report of the Corporation dated January 13, 2021, related to the non-brokered private placement of 5,714,284 Common Shares;
- (h) the material change report of the Corporation dated March 26, 2021, related to the appointment of Bob Rennie to the board of directors (the “**Board**”) and issuance of stock options;
- (i) the material change report of the Corporation dated May 27, 2021, related to the Corporation changing its name from “Gen III Oil Corporation” to “ReGen III Corp.”;
- (j) a template version of the term sheet in respect of the Offering dated May 27, 2021;
- (k) the material change report of the Corporation dated May 28, 2021, related to the Corporation entering into a definitive, multi-year offtake with BP Products North America Inc.; and
- (l) the material change report of the Corporation dated June 2, 2021, related to the Offering.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this Prospectus modifies, replaces, 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 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 prevent a statement that is made from being false or misleading in the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

Any document of the type required to be incorporated into the Prospectus by item 11.1 of Form 44-101F1 *Short Form Prospectus Distributions* (excluding confidential material change reports and excluding those portions of documents that are not required pursuant to National Instrument 44-101 *Short Form Prospectus Distributions* to be incorporated by reference herein) filed by the Corporation after the date of this Prospectus and before the termination of the distribution of the Offering are deemed to be incorporated by reference in this Prospectus.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) that are used by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of any template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any other marketing materials filed under the Corporation’s profile on

SEDAR at www.sedar.com after the date of this Prospectus but before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the marketing materials) is deemed to be incorporated by reference in this Prospectus.

THE CORPORATION

Overview

ReGen is an Alberta corporation with its Common Shares listed on the TSXV under the ticker symbol “GIII”. The Corporation expects to develop and construct used motor oil (“UMO”) re-refineries using its patented ReGen™ re-refining technology for producing high yields of high quality hydrocarbon products from UMO. The re-refined products are expected to be sold to fuel distributors or motor oil blenders, who are expected to market and sell the finished products.

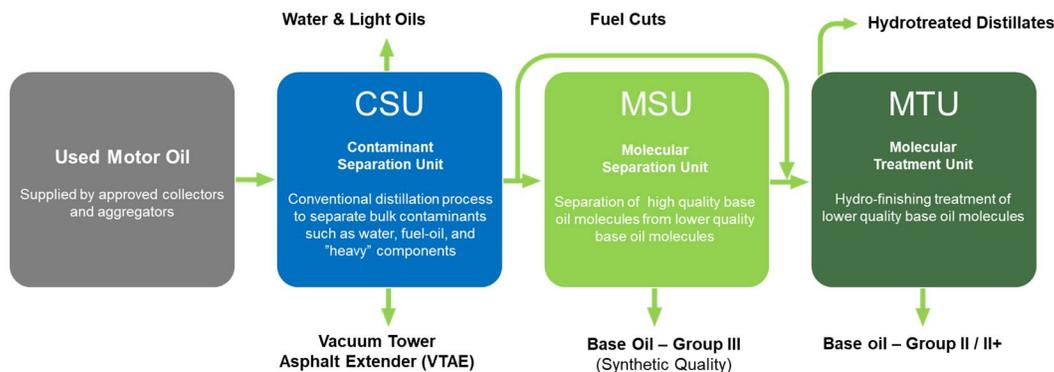
On May 14, 2021, the Corporation changed its corporate name from “Gen III Corporation” to “ReGen III Corp.”. This change was effective in respect of the trading of the Common Shares on the TSXV at the open of trading on May 17, 2021.

On May 27, 2021, the Corporation changed the name of its wholly-owned subsidiary (“ReGen Alberta”) from “Gen III Oil (Alberta) Inc.” to “ReGen III (Alberta) Inc.”. ReGen Alberta is intended to hold the assets of the Alberta Facility (as defined below).

For additional information on the corporate structure and history of the Corporation, see “Corporate Structure – Name, Address, and Incorporation” in the Annual Information Form, which is incorporated by reference herein.

ReGen™ Technology

Based on the Corporation’s review of the dates of original process patents secured by the Corporation, the dates of subsequent patents awarded to the Corporation, and on global lists of re-refiners produced in online lubricant industry publications published by LNG Publishing Co., Inc. (“LNG”) at lubesnGREASES.COM, the Corporation believes the ReGen™ technology, which has been under development since 2004, was the first process to be utilized to re-refine UMO to produce Group III base lubricating oil (synthetic grade oil). The ReGen™ process utilizes common technologies in use throughout the world in traditional industrial refining processes including: basic cleaning using distillation, extraction processes using solvents and hydrotreating processes which introduce hydrogen to the products to upgrade or convert their properties. However, the ReGen™ technology does this at specific temperature and pressure settings in what the Corporation believes is a unique configuration. The Corporation currently holds ten patents in connection with the ReGen™ process, with another six patent applications that have been submitted. See “Product and Market” below.



The patented ReGen™ technology process re-refines UMOs in three stages, as shown in the diagram above. In the first stage, a Contaminant Separation Unit cleans the UMO of basic contaminants such as water, metals, and other additives. This creates a product called a Vacuum Gas Oil that contains the lube molecules. In the second stage, the Molecular Separation Unit (“MSU”) separates the higher quality lube molecules from the lower quality lube molecules. This produces the “Group III” base oil. The lower quality base oil of the MSU process stage is then taken to the Molecular Treatment Unit where it is exposed to hydrogen to upgrade its quality to “Group II/II+” base oil.

The ReGen™ technology is expected to capitalize on increasing demand for efficient UMO re-refining and resource conservation as greater emphasis is placed on the reduction of carbon dioxide equivalent emissions, as are created from the

burning of UMO.¹ The following conclusion contained in a December 2020 congressional report made by the Secretary of Energy, the Administrator of the EPA and the Director of the Office of Management and Budget under direction of Public Law 115-345 addressed to the United States Congress including the Senate and the House of Representatives titled “*Used Oil Management and beneficial Reuse Options to Address Section 1: Energy Savings from Lubricating Oil Public Law 115-345*” (available at energy.gov) (the “**December 2020 EPA Report**”) provides the following conclusion which is illustrative of increasing demand:

“[c]onservation and recycling of the [United States] used oil ‘resource’ makes sense. It extends the life of our national crude oil resources, it reduces the likelihood of improperly disposed of used oil making its way into the environment to contaminate soil and water, and it is energy efficient, as it can take less energy to recycle used oil than to create new lubricating oil from virgin crude oil. Further, used oil recycling supports thousands of direct and indirect jobs, generates tax revenue and helps provide consumers with a range of economical product choices. Government policies that help to ensure a well-functioning used oil marketplace will help to deliver these benefits.”²

The ReGen™ technology re-refines UMOs to produce base oils (Group III synthetic grade and Group II and Group II+ base lubricating oil), hydrotreated distillates, vacuum tower asphalt extender (“**VTAE**”) used in the roofing and road asphalt industries, a small quantity of naphtha gas, and light fuels that will be recycled in the process plant as burner fuel, each in an economic and environmentally friendly manner.

ReGen™ re-refines UMO into Group III (synthetic grade) and Group II/Group II+ mid-range base stock lubricating oils. The Corporation intends to use ReGen™ to prioritize re-refining Group III (synthetic grade) base lubricating oils, which as of the date of this Prospectus, based on current market spot prices, sells for approximately 30% more than Group II base lubricating oils.³ Additionally, using ReGen™ technology to re-refine UMO is expected to be a substitute for, and mitigate the impact of, current practices of burning used oil (as burner fuel used primarily in heavy industrial and asphalt plants), which contributes significant amounts of heavy metals, soot, sulfur, greenhouse gasses, and other air contaminants as pollution by-products that result from these industrial processes. These emission issues are now facing increased scrutiny from the public and governments as they try to reduce carbon dioxide emissions in order to address climate change, or by disposing of it to the land/water which has been recognized as a significant environmental hazard whereby “used oil from one oil change can contaminate one million gallons of fresh water – a year’s supply for 50 people”.⁴

The ReGen™ technology process is a combination of traditional refining industry standard operations, combined in what the Corporation believes is a unique configuration, at specific design temperature and pressure settings, that results in the production of re-refined base lubricating oils. The ReGen™ technology is capable of producing Group III (synthetic grade) motor oil in a commercial scale re-refining operation. Traditional re-refineries typically utilize a two-stage re-refining process to produce Group I and Group II base lubricating oils and subsequently hydro-treat all inputs, which is energy intensive and consumes more hydrogen in a less efficient manner than a re-refining process that utilizes the ReGen™ technology. From pilot plant studies and vendor-scale testing, the Corporation has determined that the ReGen™ process produces high-value Group III base oils and can hydro-treat roughly one third of the proposed plants’ inputs, further saving on consumables and energy consumption.

Pilot testing of the ReGen™ technology has been conducted in a 5 barrel per day (“**bpd**”) demonstration plant run continuously for several thousand hours using UMO feedstocks sourced from multiple suppliers. In the pilot testing, output base oil production was analyzed and proved to meet American Petroleum Industry (“**API**”) “Group III” specifications. Independently, a report by Oak Ridge National Laboratory in March 2009 (the “**Oak Ridge Report**”) assessed the data from the pilot testing and provided an assessment of market, energy impact, and utility of the ReGen™ process for re-refining UMO to produce Group I, II, and III base oils, diesel fuel, and asphalt. The Oak Ridge Report involved extensive pilot scale evaluations, computer simulations, and market studies of the process. The Oak Ridge Report indicated:

¹ U.S. Environmental Protection Agency, “Managing Used Oil: Answers to Frequent Questions for Businesses (April 29, 2019)”, available online at www.epa.gov/hw/managing-used-oil-answers-frequent-questions-businesses.

² December 2020 EPA Report at p. 110.

³ Argus Americas Base Oil Report, available at argusmedia.com, which publishes weekly base oil spot prices.

⁴ United States Environmental Protection Agency, “Managing, Reusing, and Recycling Used Oil”, available online at: www.epa.gov/recycle/managing-reusing-and-recycling-used-oil

“an excellent chance that the ReGen™ re-refining process, which includes both solvent extraction and hydrofinishing, will be successful. The major reasons for this are its process flexibility and high process integration. ... The ReGen™ process provides high energy yields in the forms of process and marketable fuels, as well as a high yield of at least two grades of base oils from the used oil. The process was developed to minimize purchased process energy. ... The ReGen™ process has higher returns on investment and shorter payout times in comparison to a recent analysis of worldwide oil re-refining processes.”

In December 2016, the Corporation entered into contracts for engineering studies with Stantec Consulting Ltd. (“**Stantec**”) and WSP Canada Inc. (“**WSP**”) to validate the prototype plant findings and in particular, the previously modelled second stage design capability of the ReGen™ technology to produce approximately 45% to 53% Group III (synthetic grade) base oils from UMO feedstock in addition to Group II base lubricating oils, ultralow sulphur diesel fuel, and asphalt flux from the other two stages in the ReGen™ process.

WSP was retained to confirm the general feasibility of the ReGen™ process and to provide major equipment sizing, a preliminary equipment list, process flow diagrams, a cost estimate, and other information required to proceed to the next phase of design. WSP’s report dated March 14, 2017, advised of validation by a pilot plant trial of a wide range of UMO feedstocks, WSP’s opinion that the ReGen refining technology process is “technically sound” and that “construction and operation of the proposed re-refinery should provide finished products equivalent or greater than those contained in previous engineering studies”. WSP’s cost estimate for a 2,800 bpd UMO re-refinery using the patented ReGen process ranged between \$100 million and \$118 million.

Stantec was retained to define the ReGen re-refining project to a Class V level in terms of processing volumes, equipment requirements, footprint, timeline, and capital costs. Stantec’s report dated March 2017 indicated Stantec’s opinion that the “ReGen technology is technically viable and capable of producing high quality base oils meeting requirements of API 1509 Groups II and III”. Furthermore, Stantec concluded, after conferring with major manufacturers of the process equipment required to construct and operate the proposed 2,800 bpd re-refinery, that the project is feasible as proposed. For further discussion on the progress and status of the Alberta Facility, see “*The Corporation – Proposed Re-Refinery Facilities – Alberta Facility*” below.

The Corporation’s 5W-20, 5W-30, and 10W-30 passenger car motor oil (“**PCMO**”) formulations are listed on the Directory of Licensees published by API and available at engineoil.api.org. This enables the Corporation’s Group III base oil to be included in API licensed PCMO formulations, and enables blenders of finished motor oils to rely on the quality of the Corporation’s Group III base oils.

For further information on the ReGen™ technology, see “*Product and Market*” below.

Proposed Re-Refinery Facilities

U.S. Gulf Coast Facility

The Corporation has short-listed a number of properties along the Gulf Coast of the United States as the proposed site for the development and construction of a re-refinery facility to use the ReGen™ technology (the “**USGC Facility**”). Based on a facility design capacity of 5,600 bpd of UMO, the Corporation estimates an output design capacity of 4,200 bpd to 4,400 bpd of base oil production from the proposed USGC Facility. This will amount to approximately 78 million US gallons of used lubricating oils processed per year. The proposed USGC Facility is expected to be located in Louisiana or Texas and is intended to be the Corporation’s primary facility.

In connection with the USGC Facility, the Corporation has entered into a definitive, multi-year offtake agreement with BP Products North America Inc. (“**BP**”) whereby BP has agreed to purchase all of the Corporation’s base oil production from the Corporation’s proposed USGC Facility. See “*BP Offtake Agreement*” below for a discussion of the material terms of the BP Offtake Agreement.

Following the execution of the BP Offtake Agreement, the Corporation determined that the USGC Facility is currently the Corporation’s principal project, taking priority over the Alberta Facility as described below.

The development of the USGC Facility is subject to a number of required registrations, conditions, and permits, including the following: (a) registration under the European Union’s “REACH” (Registration, Evaluation, Authorisation and

Restriction of Chemicals) regulations that address the production and use of chemicals and their impacts on human health and the environment; (b) registration of the Corporation's offtake base oils under the United States *Toxic Substances Control Act*; (c) obtaining environmental protection permits or providing document required by the Texas Commission on Environmental Quality, including those in respect of air quality, solid waste, storm water, spill prevention, emergency planning and response, and the transportation and handling of hazardous materials.

The development of the USGC Facility is expected to take place over 15 to 20 months once a final investment decision is made. The table below describes the steps required to develop the USGC Facility, with the estimated duration and costs to complete each step. The first two steps include preliminary engineering work. These steps are expected to take six to ten months and conclude between December 2021 and March 2022.

The Corporation has commenced discussions with potential investors to finance the USGC Facility. Those discussions take place concurrently with the preliminary steps described in the table below. The Corporation expects to make a final investment decision with respect to the USGC Facility by December 31, 2021, which final investment decision may be made prior to the completion of the preliminary steps described in the table below. Once a final investment decision is made, the design can be completed and the construction activities can begin.

	Status	Duration (months)	Estimated Costs (US\$)
Preliminary Steps			
Front End Engineering Design (FEED) which represents developing the design to approximately 30% of total completion Establish Price and Schedule	10% complete	6 to 10	\$6.9M
Environmental Permitting	Team has been assembled to manage the permitting process	3 to 10	\$0.25M
Total		6 to 10*	\$7.15M
Following a Final Investment Decision			
Demolition and site preparation activities	Outstanding	2 to 3	\$3.9M
Detailed engineering to complete design work	Outstanding	6 to 8	\$20.45M
Prefabrication of process modules and equipment	Outstanding	9 to 11	\$112M
On-site construction activities	Outstanding	12 to 13	\$30M
Commissioning (i.e., testing the machines and running the facility)	Outstanding	2 to 3	\$6.5M
Total		15 to 20*	\$180M**

* Development stages are anticipated to overlap and run concurrently to each other, so the total estimated duration for all stages is less than the sum of the estimated durations of each respective stage.

** Total including the estimated costs of the preliminary steps.

The Corporation has engaged Koch Project Solutions, LLC ("KPS") to provide project execution management services leading up to turnkey delivery of the proposed USGC Facility. KPS is expected to lead the Corporation's engineering, construction, and licensed vendor teams (PCL Industrial Construction Ltd. ("PCL"), Koch Modular Process Systems

(“**KMPS**”), and Process Dynamics Inc. (“**PDI**”)) through the completion of detailed design, construction, commissioning, and start-up. KPS intends to wrap all elements of project delivery under its leadership providing the Corporation with a single point of responsibility for engineering, construction, commissioning and start-up. The first phase of the KPS engagement is under way. This involves developing a front-end engineering design execution plan and commencing the selection of potential engineering services providers for the design and development of the USGC Facility. This initial phase is expected to be completed in June 2021.

The Corporation has engaged KMPS, a U.S.-based company which specializes in the design and manufacturing for modular mass transfer systems for the chemical process industry, to design and fabricate the second stage module for the proposed USGC Facility. A module in this context is a complete process unit. It includes all the equipment to completely process a feedstock and produce the required output for that stage. The second stage module is the Molecular Separation Unit where the Corporation’s Group III base oil products are extracted. In March 2019, KMPS completed solvent extraction production pilot testing that produced a high-quality and low-quality base oil stream. Base oil quality is defined by several benchmarks, including viscosity, sulfur content, clarity and other similar metrics. In July 2019, the Corporation sent a low-quality base oil sample to PDI, a U.S.-based company which specializes in liquid and gas analysis equipment for a variety of industries, for stage 3 hydro-treatment piloting. Hydro-treating is a chemical process commonly used in the oil and gas industry to expose unsaturated hydrocarbon molecules to hydrogen in order to improve their chemical qualities. The results from this pilot testing are expected in the third or fourth quarter of 2021 and will be used to refine the design of the USGC Facility.

Alberta Facility

In addition to the USGC Facility, the Corporation has completed preliminary front-end engineering and design work of a re-refinery facility in Bowden, Alberta which intends to use the ReGen™ technology to process 2,800 bpd of UMO into a range of base stocks and related petroleum products (the “**Alberta Facility**”, and together with the USGC Facility, the “**Facilities**”). The site has existing infrastructure that can be used by a new facility, including storage tanks, truck loading and unloading facilities to accommodate up to four trucks per day, rail spur lines for up to sixty car spot, access to power, fire and safety infrastructure, and potable water.

Notwithstanding the completion of preliminary front-end engineering and design work on the Alberta Facility, following the execution of the BP Offtake Agreement, the Corporation has determined that the USGC Facility will be the Corporation’s principal project. See “*The Corporation – Proposed Re-Refinery Facilities – U.S. Gulf Coast Facility*”.

The capital cost of constructing a ReGen™ re-refinery in Alberta was projected by PCL in April 2019 to be approximately \$120 million. The cost of feedstock supplied to the Alberta Facility, projected to be 32% of projected revenue was based on the proposed nameplate capacity of 2,800 bpd and was derived from actual market prices provided by third-party consultants in July 2018.

The Alberta Facility is the subject of a plant site lease agreement between the Corporation and Parkland Refining Limited (“**Parkland**”) which commenced on February 1, 2018, for an initial term of 20 years (the “**Parkland Lease**”). The Corporation and the landlord may mutually agree to extend the lease for an additional two terms, one for 10 years and the other for five years. A portion of the projected capital cost of the Alberta Facility in respect of the Parkland Lease includes costs of demolition and remediation of existing structures on the Parkland site, which the Corporation estimates will cost between approximately \$1.3 million and \$3.5 million. According to the Parkland Lease, rent payments are in arrears. However, Parkland has not completed certain pre-construction work nor given notice of the rent arrears. The Corporation has recorded the rent payment arrears, including interest thereon, as current liabilities. The Corporation and Parkland are in communications regarding these issues, which could result in the termination of the Parkland Lease. The Corporation would not deem a termination of the Parkland Lease to be materially adverse to the Corporation’s business, as the Corporation’s primary focus is the USGC Facility. (See “*Use of Proceeds*” and “*The Corporation – Proposed Re-Refinery Facilities – U.S. Gulf Coast Facility*”).

In addition, prior to commencement of construction of the Alberta Facility, Alberta’s *Environmental Protection and Enhancement Act* (the “**EPEA**”) requires amendment of an expired construction approval received by the Corporation in 2019, or approval by the director under the EPEA. The Corporation has advised the director under the EPEA of the delay of construction. If the Corporation determines to proceed with construction of the Alberta Facility at the Bowden, Alberta site, the Corporation will comply with all applicable governmental requirements, in respect of approvals or otherwise.

Notwithstanding the above, front-end engineering and design study work is essentially complete for Stages 1 and 3 of the Alberta Facility. Stage 1 (Stantec) and Stage 3 (PDI) design packages were completed ahead of schedule in August 2018 and are currently undergoing edits prior to final sign off along with the completion of ancillary supporting documentation. The Corporation continues to finalize a licensing agreement with PDI for the use of any Stage 3 proprietary technology.

ReGen™ technology comprises the development of three process stages and the requisite ancillary work (also referred to as “Outside the Battery Limits” (“OSBL”) work) to support the process. Each of the preliminary steps for the development of the Alberta Facility prior to the determination of a final investment decision have been completed, including the following. Front-end engineering design is intended to bring each design stage to 30% completion.

- The first process stage design, provided by Stantec, is approximately 30% complete.
- The second process stage, provided by KMPS, has completed all pilot testing. KMPS has provided the Corporation with an estimated price and schedule to deliver the entire process stage to the site (an estimate of approximately \$13.5M and 12 months to design and fabricate, which are a portion of the “prefabrication of process modules” stage indicated in the table below).
- The third process stage design, provided by PDI and their engineers at Wood Group engineering, is approximately 30% complete.
- OSBL work is approximately 30% complete.

The anticipated stages, timeline, and costs for the development of the Alberta Facility following a final investment decision are set out in the table below.

	Status	Duration (months)	Estimated Costs (C\$ millions)
Following a Final Investment Decision			
Demolition and site preparation activities (including certain remediation)	Preferred bidder has been selected in a tender process	2 to 3	\$5
Detailed engineering to complete the design work	Engineering teams have been short-listed	6 to 8	\$10
Prefabrication of process modules including all the equipment	Investigation in process to determine potential service providers	8 to 10	\$75
On-site construction activities	Outstanding	12 to 13	\$25
Commissioning (i.e., testing the machines and running the facility)	Outstanding	2 to 3	\$5
Total		15 to 18*	\$120

* Development stages are anticipated to overlap and run concurrently to each other, so the total estimated duration for all stages is less than the sum of the estimated durations of each respective stage.

Other Facilities

Concurrent with development of the Facilities, the Corporation is exploring opportunities to develop ReGen™ re-refinery facilities at other locations in Canada, the United States, Mexico, South America, Europe, Australia, and other markets. The Corporation is also investigating opportunities to license the ReGen™ technology in order to access non-core markets and to accelerate the market penetration of ReGen™.

Elbow River Purchase and Sale Agreement

On September 12, 2017, the Corporation entered into a purchase and sale agreement with Elbow River Marketing Ltd. (“**Elbow River**”) for the majority of the Corporation’s finished products from the Alberta Facility (the “**Elbow PSA**”). Elbow River is Calgary-based wholesaler, transporter, supplier, and marketer of liquid petroleum gases, crude oil, heavy fuel oil, and refined fuel and bio-fuel products. Under the terms of the Elbow PSA, Elbow River will market the majority of the Alberta Facility’s base oil and vacuum tower asphalt extender (“**VTAE**”) production and provide rail and truck transportation from the Alberta Facility to Elbow River’s customers.

The duration of the Elbow PSA is for an initial term of five years from commencement of commercial operations at the Alberta Facility as defined therein. To date, commercial operations have not yet commenced at the Alberta Facility. As of June 1, 2018, the Elbow PSA may be terminated by Elbow River acting reasonably by notice in writing. No notice of termination has been received from Elbow River, and the Elbow PSA remains in full force and effect as of the date of this Prospectus.

Under the Elbow PSA, the Corporation has undertaken to reimburse reasonable set up costs incurred by Elbow River should the Corporation fail to deliver product by the projected commercial operations date which result from the differences in costs that Elbow River is required to pay its customers as a result of failing to meet supply commitments, including without limitation increased staffing costs, costs with respect to idle railcars and trucks, and penalties and other charges. As construction of the Alberta Facility has not started, the Corporation has not yet advised Elbow River of the projected commercial operations date and due to the nature and timing of these costs, it is not practicable to estimate such reimbursable costs at this time. The reimbursement of reasonable set up costs incurred by Elbow River is only applicable in respect of the Alberta Facility site noted above; if a facility is built on another site in Alberta, then the reimbursement will not apply. If the Parkland Lease is terminated, it is contemplated that the Elbow PSA will also be terminated. See “*The Corporation – Proposed Re-Refinery Facilities – Alberta Facility*”.

BP Offtake Agreement

On October 27, 2020, the Corporation signed a Letter of Intent (“**BP LOI**”) with BP for the offtake of all of the Corporation’s future production of Group II+ and Group III base oils from the proposed USGC Facility. On May 1, 2021, the Corporation entered into a definitive, multi-year offtake agreement with BP (the “**BP Offtake Agreement**”), superseding the BP LOI, whereby BP has agreed to purchase 100% of the Facility’s Group III Base Oil production and to market 100% of the Facility’s Group II Base Oil. Based on a facility design capacity of 5,600 bpd of UMO, the Corporation estimates an output design capacity of 4,200 bpd to 4,400 bpd of base oil production from the proposed USGC Facility.

The BP Offtake Agreement provides for a pricing model with effect from the date the USGC Facility is commercially operational, that varies based on technical specifications of the underlying base oil being provided including viscosity, colour, flashpoint, and saturates.

BP is permitted to terminate the BP Offtake Agreement if either: (i) the Corporation has not secured financing by December 31, 2021, for the total amount required to construct the USGC Facility; or (ii) commercial operations have not occurred within two years of the date by which the Corporation is required to secure the total amount of financing to construct the Facility. The BP Offtake Agreement also provides BP with a right of first look to purchase (i) the offtake on any future facilities that will produce similar products; and (ii) the ability to purchase new products made by the Corporation.

Financing History and Related Matters

Export Development Canada

On November 7, 2018, the Corporation announced that it received a non-binding term sheet (the “**EDC Term Sheet**”) from Export Development Canada (“**EDC**”) for a term loan for up to \$72 million (the “**Proposed EDC Loan**”) to finance the Alberta Facility.

The borrower of the Senior Credit Facility will be ReGen Alberta with the Corporation guaranteeing the loan. No securities of the Corporation, or ReGen Alberta, are contemplated to be issued in connection with the Proposed EDC Loan. The Proposed EDC Loan may only be used to fund costs associated with the design, engineering, procurement, development, construction, commissioning, and operational ramp-up of the Alberta Facility, including, funding of a debt service reserve account, cost overrun account, interest payments, lender fees and expenses, professional fees and expenses, insurance

premiums, taxes, the cost of obtaining permits and other agreed upon costs and expenses incurred in connection with the Alberta Facility. Closing of the Proposed EDC Loan is subject to various conditions, including the completion of satisfactory due diligence by the parties and execution and delivery of definitive loan documents.

The EDC Term Sheet expired on March 30, 2021. On March 31, 2020, the Corporation secured an extension of the terms available under the EDC Term Sheet until March 31, 2021. During Q1 2021, the Corporation was unofficially informed by EDC the funds for the Alberta Facility remain intact and available to the Corporation.

Should the Corporation and EDC complete a final financing agreement for the Alberta Facility, per the EDC Term Sheet, the Corporation will be required to secure and contribute approximately \$48 million in equity towards projected capital expenditures for the Alberta Facility. This is equivalent to 40% of the projected capital expenditures for the Alberta Facility. This required equity is to be fully contributed prior to the first disbursement of the Senior Credit Facility. A final agreement still needs to be negotiated with EDC and there are no assurances that an agreement will be entered into with EDC on terms satisfactory to the Corporation, or at all. Since the fourth quarter of 2017, the Corporation has contributed approximately \$9.2 million to the Alberta Facility.

Separately from the discussions between the Corporation and EDC regarding the Alberta Facility, EDC also informed the Corporation it was willing to complete preliminary due diligence to structure a term sheet proposal for the USGC Facility. The Corporation is continuing to provide supporting documentation to EDC and the Trade Law Bureau of Global Affairs Canada in order to secure a term sheet proposal for the USGC Facility.

Private Placements

On January 11, 2021, the Corporation completed a non-brokered private placement of 5,714,284 shares at a price of CDN\$0.35 per Common Share, for gross proceeds of approximately CDN\$2,000,000.

On May 29, 2020, the Corporation completed a non-brokered private placement and issued an aggregate of 2,773,659 Common Shares at a price of \$0.15 per Common Share for gross proceeds of \$416,049. The Corporation paid finder's fees of \$26,873 in cash and issued 173,156 Common Share purchase warrants to one of the finder companies in which Mark Redcliffe, Executive Vice-President, Corporate Finance of the Corporation, is an independent director. Each finder's warrant is exercisable into one Common Share at an exercise price of \$0.15 until May 29, 2021.

On September 17, 2020, the Corporation completed a non-brokered private placement of 2,540,000 units of the Corporation at a price of \$0.20 per unit for gross proceeds of \$508,000. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant is exercisable to acquire one share at an exercise price of \$0.30 per Common Share until September 17, 2021. The Corporation paid a cash finder's fee of \$3,000. Paul DiPasquale, a director of the Corporation, purchased an aggregate of 250,000 units of the private placement for gross proceeds of \$50,000.

Debt Settlement

On November 24, 2020, the Corporation proposed to settle \$200,250 in debt incurred as directors' fees to directors of the Corporation in exchange for the issuance of 513,460 Common Shares to those directors at a deemed price of \$0.39 per Common Share (the "**Debt Settlement Arrangement**"), which was approved by the TSXV and completed on February 3, 2021.

Components

The Corporation prepared and secured non-binding UMO feedstock supply letters of intent (each, an "**LOI**") in excess of 155,000,000 litres annually and continues to negotiate further LOIs in excess of the full UMO feedstock requirements of the Facilities. These LOIs provide supply coverage of UMO feedstock for periods of two to five years per supplier and outline key commercial terms, including UMO specifications, pricing terms, and delivery terms. Commercially sensitive and confidential negotiations are ongoing and are expected to continue with each of the interested vendors pursuant to the LOIs in parallel with ongoing financing discussions, with the intention to enter into binding feedstock supply contracts on terms that are agreeable to the Corporation. The Corporation expects to convert these LOIs into binding contracts in conjunction with the final selection of the equity investor(s) for each project.

Product and Market

In February 2017, the Corporation acquired from private Canadian company VeroLube Inc. (“**VeroLube**”), on an exclusive basis, patents for technology that enables the production of Group II and Group III base oils from the reprocessing (also known as “re-refining”) of UMO. In 2014, the Corporation loaned \$500,000 to VeroLube pursuant to a series of loan agreements, which VeroLube defaulted on in 2016. Following a forbearance period and pursuant to a forbearance agreement between VeroLube and the Corporation, the patents which had previously been held by VeroLube were assigned to the Corporation in February 2017. Further information is available in the Corporation’s news releases dated April 4, 2016, and January 3, 2017, and the amended and restated filing statement of the Corporation dated as of June 30, 2017, all of which are available on the Corporation’s issuer profile on www.sedar.com.

Group III oil is also known as “synthetic” motor oil and is used in higher performance internal combustion and gas turbine engines. The Corporation currently holds eight ReGen™ patents that have been granted in North America, one ReGen™ patent issued in India, and one ReGen™ patent issued in Singapore. The Corporation has also applied for one other ReGen™ patent in Singapore, two other ReGen™ patents in Mexico, two ReGen™ patents in Malaysia, and one international patent under the Patent Cooperation Treaty. These ReGen™ patents provide protection over the ReGen™ technology.

The Corporation believes that previously disclosed systems and methods for re-refining UMOs to produce higher quality base oils and other products can be improved to be more robust, more convenient to operate, and to accommodate different types of input feed stocks. Similarly, the Corporation believes the overall re-refining process can be made more efficient.

For example, used oils from different sources can have different contents, constituents, and properties. In particular, used oils are collected by a large number of regional waste oil gatherers who collect them from their local sites of utilization or production. In the collection process, a variety of oils, which were formulated for numerous types of service, may be mixed together to form a composite of different types and qualities of base oils, chemicals, and contaminants. Thus, providing systems and processes that could be conveniently adjusted during operation to effectively and efficiently process different feedstock oils with very different components and properties would be desirable. The Corporation believes it is desirable to improve the yield of recovered useful products, particularly high-quality base oils such as Group III base oils, from used oils, and to improve the throughput/yields of such processes.

Securing and filing patents is not a static process. Over time, the Corporation has continued to improve and enhance its ReGen™ process while simultaneously receiving and reviewing multiple approaches to establish facilities in international jurisdictions. This has ultimately resulted in new patents being filed both domestically and internationally. The following table outlines the Corporation’s current patents and patent applications.

Patent No. (Application No.)	Jurisdiction	Status	Description
8,366,912 (11/076,436)	United States	Issued	Method for Producing Base Lubricating Oil From Waste Oil
8,936,718 (13/108,979)	United States	Issued	Method for Producing Base Lubricating Oil From Waste Oil
281719	India	Issued	Method for Producing Base Lubricating Oil From Waste Oil
160372	Singapore	Issued	Method for Producing Base Lubricating Oil From Waste Oil
10201704568V	Singapore	Pending	Method for Producing Base Lubricating Oil From Waste Oil
9,677,013 (14/201,165)	United States	Issued	Method for Producing Base Lubricating Oil From Oils Recovered from Combustion Engine Service
2,845,173	Canada	Issued	Method for Producing Base Lubricating Oil From Oils Recovered from Combustion Engine Service
(MX/a/2014/002704)	Mexico	Pending	Method for Producing Base Lubricating Oil From Oils Recovered from Combustion Engine Service
(PI 2014000641)	Malaysia	Pending	Method for Producing Base Lubricating Oil From Oils Recovered from Combustion Engine Service

Patent No. (Application No.)	Jurisdiction	Status	Description
10,287,513 (15/416,069)	United States	Issued	Method and Apparatus for Recovering Synthetic Oils from Composite Oil Streams
10,287,514 (15/428,195)	Unites States	Issued	Method and Apparatus for Recovering Synthetic Oils from Composite Oil Streams
2,845,176	Canada	Issued	Method and Apparatus for Recovering Synthetic Oils from Composite Oil Streams
2,946,136	Canada	Issued	Method and Apparatus for Recovering Synthetic Oils from Composite Oil Streams
(MX/a/2014/002705)	Mexico	Pending	Method and Apparatus for Recovering Synthetic Oils from Composite Oil Streams
(PI 2014000640)	Malaysia	Pending	Method and Apparatus for Recovering Synthetic Oils from Composite Oil Streams
(PCT/CA2020/050145)	International (Patent Cooperation Treaty)	Pending	Method and System for Re-refining and Upgrading Used Oil

The demand for Group III oil has increased by an average of 5% per year over the past four years.⁵ By comparison, most re-refiners produce only Group I or Group II base oils,⁶ which are used in the formulation of standard grade motor oils for use in older and lower performance vehicles. Group III base oil currently sells at an approximate 30% premium to Group II base oil.⁷

According to the industry research firm Kline & Company and information published by LNG, the North American consumption rate of Group III base oil is in excess of 20,000 bpd, while the total current North American production is approximately 5,300 bpd.⁸ Based on pilot plant studies, engineering studies, and vendor-scale testing, the Alberta Facility is expected to produce 1,540 bpd of Group III base oil and the USGC Facility is expected to produce approximately 3,000 bpd of Group III base oil by 2023 (out of the total output capacity of 4,200 bpd to 4,400 bpd expected for the USGC Facility).

At an estimated price of CDN \$5.48 per gallon for Group III⁹ and escalated at 2% inflation rate per year, projected Group III revenues at the Alberta Facility when in full production is expected to be more than approximately \$126.7 million per year. By comparison, the Group II revenue from that same 1,540 bpd production, at current production standards and an estimated price of CDN \$3.90 per gallon,¹⁰ escalated at the same 2% per year, would only generate approximately \$102.7 million in revenue.

Based on conversations with the Corporation's greenhouse gas qualification consultant, Radicle (formerly Carbon Credit Solutions Inc.), the Corporation also expects the ReGen™ technology will qualify for greenhouse gas credits. Based on the August 2010 Greenhouse Gas Savings Study report conducted by Conestoga-Rovers & Associates on behalf the British Columbia Used Oil Management Association (the "**Conestoga-Rovers Report**"), the Corporation believes that an Alberta Facility could reduce greenhouse gas ("GHG") equivalent emissions by more than 360,000 tonnes per year, versus the burning or disposal of UMO.¹¹ The USGC Facility could reduce GHG equivalent emissions by up to 725,000 tonnes per year, versus the burning or disposal of UMO based on the Conestoga-Rovers Report. The Corporation may receive compliance carbon credits for the Alberta Facility under the Alberta Technology Innovation and Emissions Reduction Regulation program and for voluntary GHG credits sold via the American Carbon Registry and may expect to generate additional annual revenues for the sale of these credits. Based on a review of the United States Environmental Protection

⁵ LNG Factbook 2020-2021, p. 18.

⁶ LNG 2020 Guide to Global Base Oil Refining (supplement to Volume 26, Issue 7).

⁷ Argus Americas Base Oil Report, available at argusmedia.com, which publishes weekly base oil spot prices.

⁸ LNG Factbook 2020-2021.

⁹ Argus Americas Base Oil Report, available at argusmedia.com, which publishes weekly base oil spot prices.

¹⁰ Ibid.

¹¹ British Columbia Used Oil Management Association, 2010 Annual Report, available at: bcusedoil.com/app/uploads/2020/09/BCUOMA-2010-Annual-Report.pdf.

Agency’s GHG equivalency calculator¹² the life-cycle assessment carbon credits that are projected to be generated by the Corporation from the Facilities represent the equivalent of eliminating the emissions generated by 232,000 internal combustion engine powered cars annually.

For further information regarding the Corporation, see the Annual Information Form and other documents incorporated by reference in this Prospectus available at www.sedar.com under the Corporation’s issuer profile and the Corporation’s website at www.regeniii.com.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the consolidated capitalization of the Corporation since the Interim Financial Statements, other than the issuance of an aggregate of 250,000 Common Shares on April 8, 2021 upon the exercise of 250,000 warrants at an exercise price of \$0.30 per warrant (the “**April Warrant Exercise**”). The following table shows the consolidated capitalization of the Corporation as at the date of the Corporation’s Interim Financial Statements and as at such date, on an adjusted basis, after giving effect to the April Warrant Exercise and the Offering. The following table should be read in conjunction with the Interim Financial Statements and Interim MD&A, each of which are incorporated by reference into this Prospectus.

	As at March 31, 2021	Interim Financial Statements	
		As at March 31, 2021, after Giving Effect to the Offering and the April Warrant Exercise ⁽¹⁾⁽²⁾	As at March 31, 2021, after Giving Effect to the Offering and the April Warrant Exercise ⁽¹⁾⁽³⁾
Share Capital	\$85,144,375	\$94,375,625	\$95,785,625
(Authorized unlimited)	100,357,565 Common Shares	108,607,565 Common Shares	109,807,565 Common Shares
Cash	\$2,749,186	\$11,980,436	\$13,390,436

⁽¹⁾ After deducting the Underwriters’ Fee and estimated expenses of the Offering.

⁽²⁾ Assuming no exercise of the Over-Allotment Option.

⁽³⁾ Assuming full exercise of the Over-Allotment Option.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering, after deducting the Underwriters’ Fee and the estimated expenses of the Offering (estimated expenses to be \$300,000), will be approximately \$9,156,250, or approximately \$10,566,250 if the Over-Allotment Option is exercised in full. The Corporation intends to use the net proceeds of the Offering to advance the development of the USGC Facility and for general administrative expenses.

¹² United States Environmental Protection Agency, “Greenhouse Gas Equivalencies Calculator”, available at: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

The net proceeds from the Offering are expected to be used as follows:

Use of Proceeds	Approximately (C\$)
<i>USGC Facility</i>	
Design and development of the USGC Facility	\$8,140,000
Site enabling and approvals activities	\$150,000
Corporation's Engineering Oversight Team	\$400,000
Finalize KPS execution management services agreement	\$50,000
Site Agreements	\$200,000
<i>Offering expenses</i>	\$300,000
<i>Selling, General & Administrative Expenses</i>	\$260,000
Total	\$9,500,000

USGC Facility – Approximately \$8,940,000 (94%) of the net proceeds of the Offering will be allocated towards the development of the USGC Facility. The Corporation anticipates that this portion of the net proceeds will be sufficient to complete all of the preliminary steps for the development of the USGC Facility required prior to the determination of a final investment decision, as noted above under “*The Corporation – Proposed Re-Refinery Facilities – U.S. Gulf Coast Facility*”: front-end engineering design (i.e., developing the design to approximately 30% of total completion), the establishment of a price and schedule, and the completion of related environmental permitting (also as described above).

Selling, General & Administrative Expenses – Approximately \$260,000 (3%) of the net proceeds of the Offering will be allocated toward Selling, General & Administrative Expenses including rent, hiring personnel and consultants, and purchasing any necessary supplies. The costs are expected to be incurred by the end of the third quarter of 2021.

The above noted allocation represents the Corporation's intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Corporation. Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under “Risk Factors”.

Until applied, the net proceeds will be held as cash balances in the Corporation's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof. Unallocated funds from the Offering will be added to the working capital of the Corporation and will be expended at the discretion of management.

The Corporation will require additional financing over and above the Offering in order to meet its longer-term business objectives and there can be no assurances that such financing sources will be available as and when needed. Historically, capital requirements have been primarily funded through the sale of Common Shares. Factors that could affect the availability of financing include the progress and results of the Facilities, the state of international debt and equity markets, and investor perceptions and expectations of the UMO markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Corporation. Based on the amount of funding raised, the Corporation's planned exploration or other work programs may be postponed, or otherwise revised, as necessary. See “*Risk Factors*” and “*Cautionary Note Regarding Forward-Looking Statements*”.

As at March 31, 2021, the Corporation had cash of \$2,749,186 and a net working capital deficit of \$2,278,062 (which includes the current portion of the lease liability of \$4,255,609 pursuant to the Parkland Lease, see “*Alberta Facility*” above), which have been allocated for general corporate purposes. The Corporation generates no operating revenue from its operations and has negative cash flow from operating activities. The Corporation anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at a particular project. To the extent that the Corporation has negative operating cash flows in future periods in excess of amounts disclosed above in the “*Use of Proceeds*” table, it may need to deploy a portion of its existing working capital to fund such negative cash flow. The Corporation is dependent on debt and equity financings to fund its operations. Management of the Corporation believes that

the current level of funds is not sufficient to pay for expected cash expenditures over the next 12 months. The recoverability of the underlying value of the Corporation's assets is entirely dependent on the Corporation's ability to obtain the necessary financing to complete development of the ReGen™ technology, and future profitable production. The Corporation's ability to obtain financing may be subject to additional risks brought on by the current Covid-19 pandemic such as, but not limited to, temporary business closures, travel restrictions, quarantines, the general market uncertainty and reduced economic activity. These material uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern. See "Risk Factors".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Underwriters have severally and not jointly, nor jointly and severally agreed to purchase, as principals, and the Corporation has agreed to sell, subject to compliance with all necessary legal requirements and pursuant to the terms and conditions of the Underwriting Agreement, on the Closing Date, not less than all of the Common Shares at the Offering Price, payable in cash to the Corporation against delivery of the Common Shares. In consideration for the services rendered by the Underwriters in connection with the Offering, the Underwriters will be paid an aggregate cash fee of \$633,750, representing 6% of the proceeds of the Offering in the amount of \$11,500,000 (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined below)). As additional compensation, the Corporation has also agreed issue to the Underwriters that number of Compensation Options as is equal to 6% of the Common Shares sold pursuant to the Offering. Each Compensation Option entitles the holder thereof to purchase one Compensation Option Share at the Offering price for a period of 24 month from the Closing Date. Notwithstanding the foregoing, a reduced Underwriters' Fee of 3.0% in cash and 3.0% in Compensation Options is anticipated to be paid on aggregate gross proceeds of up to \$1,875,000 from the sale of up to 1,500,000 Common Shares to purchasers included in the President's List. This Prospectus qualifies the distribution of the Compensation Options.

The Offering Price was determined by negotiation between the Corporation and the Lead Underwriter, on its own behalf and on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

The Corporation has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Underwriters, for a period of 30 days from the Closing Date, to purchase up to an additional amount of Common Shares equal to 15% of the Common Shares sold pursuant to the Offering, being 1,200,000 Over-Allotment Shares, at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The purchase price of one additional Common Share pursuant to the Over-Allotment Option will be equal to the Offering Price. The grant of the Over-Allotment Option and the Over-Allotment Shares issued upon exercise of the Over-Allotment Option are qualified for distribution under this Prospectus. A person who acquires Over-Allotment Shares issuable on the exercise of the Over-Allotment Option acquires such Over-Allotment Shares under this Prospectus regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' Fee, and the net proceeds to the Corporation (before payment of the expenses of the Offering) will be approximately \$11,500,000, \$633,750, and \$10,866,250, respectively.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares offered hereby if any of such Common Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their directors, officers, employees, partners, shareholders, agents, or any persons controlling against certain liabilities and expenses or will contribute to payments that the Underwriters may be required to make in respect thereof.

The Corporation has agreed that, during the period ending 90 days after the Closing Date, it will not issue any Common Shares or other securities convertible into Common Shares, without having obtained the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, other than pursuant to: (i) the Offering; (ii) the exercise of any options issued pursuant to the Corporation's stock option plan outstanding prior to the Offering; or (iii) the exercise of options or warrants outstanding prior to the Offering.

The Corporation has also agreed to cause each of the directors and officers of the Corporation to enter into lock up agreements in favour of the Underwriters evidencing their agreement not to, for a period of 90 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap, grant an option to purchase, make any short sale or otherwise dispose of or transfer, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of the Common Shares, or announce its intention to do any of the

foregoing, whether now owned directly or indirectly, or under their control or direction, and whether through the facilities of a stock exchange, by private placement or otherwise, other than pursuant to the terms of the lock up agreements, which includes exceptions for: (i) the sale of securities purchased pursuant to the Offering; (ii) the sale of securities to satisfy tax obligations on the exercise of any convertible securities; if there occurs a take-over bid, arrangement or similar transaction involving the acquisition of the Corporation; or (iii) the sale of securities with the consent of the Lead Underwriter (such consent not to be unreasonably withheld or delayed).

Certain of the Underwriters and their affiliates have performed investment banking, commercial banking and advisory services for the Corporation from time to time for which they have received customary fees and expenses. The Underwriters and their affiliates may, from time to time, engage in transactions with and perform services for the Corporation in the ordinary course of their business.

The Offering is being made in British Columbia, Alberta, and Ontario. The Common Shares will be offered in British Columbia, Alberta, and Ontario through those Underwriters or their affiliates who are registered to offer the Common Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Additionally, the Common Shares may be sold in other jurisdictions permitted by the Underwriting Agreement, where such sale will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirement under the applicable securities laws of such other jurisdictions.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

The Corporation has applied to list the Common Shares distributed under this Prospectus on the TSXV. Listing will be subject to the Corporation fulfilling all listing requirements of the TSXV.

It is anticipated that the Offering will be conducted under the book-based system, pursuant to which the Corporation will arrange for one or more instant deposits of the Common Shares issued under the Offering to or for the account of the Underwriters with CDS Clearing and Depository Services Inc. (“CDS”) or its nominee through the non-certificated inventory system administered by CDS on the Closing Date. Purchasers of Common Shares will receive only a customer confirmation from the registered dealer from or through which the Common Shares are purchased and who is a CDS participant. CDS will record the CDS participants who hold Common Shares on behalf of owners who have purchased Common Shares in accordance with the book-based system.

DESCRIPTION OF THE COMMON SHARES

The authorized share capital of the Corporation currently consists of an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value. As of the date of this Prospectus, there are 100,607,565 Common Shares issued and outstanding, and no Preferred Shares issued or outstanding.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board, to receive notice of and one vote per Common Share at meetings of the shareholders of the Corporation and, upon liquidation, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction, surrender, conversion, or exchange rights, nor do they contain any sinking or purchase fund provisions.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Common Shares pursuant to this Offering. This summary applies only to a

purchaser who is a beneficial owner of Common Shares pursuant to this Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm's length with the Corporation and the Underwriters; (ii) is not affiliated with the Corporation or the Underwriters; and (iii) holds the Common Shares (a "**Holder**").

Common Shares will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

A purchaser who is resident in Canada for purposes of the Tax Act and whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such purchaser in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Purchasers should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution" within the meaning of section 142.2 of the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) that has made a "functional currency" reporting election under section 261 of the Tax Act; (iv) an interest in which is, or for whom a Common Share would be, a "tax shelter investment" for the purposes of the Tax Act; (v) that has entered into or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", each as defined in the Tax Act, in respect of Common Shares; or (vi) that is a corporation resident in Canada, and is or becomes (or does not deal at arm's length within the meaning of the Tax Act with a corporation resident in Canada that is or becomes) controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest otherwise incurred debt in connection with the acquisition of Common Shares.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force as of the date hereof; (ii) except as described below, all specific proposals ("**Proposed Amendments**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency. No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention and is not exempt from tax under Part I of the Tax Act ("**Resident Holder**").

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares.

In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax in respect of dividends designated by the Corporation as "eligible dividends". There may be limitations on the ability of the Corporation to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Such Resident Holders should consult their own tax advisors in this regard.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year, subject to certain limitations in the Tax Act. A Resident Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) may also be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) on any dividend that it receives or is deemed to receive on its Common Shares, to the extent that the dividend is deductible in computing the corporation’s taxable income. Subsection 55(2) of the Tax Act provides that, where certain corporate holders of shares receive a dividend or deemed dividend in specified circumstances, all or part of such dividend may be treated as a capital gain from the disposition of capital property and not as a dividend. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances. For a description of the tax treatment of capital gains and capital losses, see “*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*” below.

Dispositions of Common Shares

A Resident Holder who disposes of or is deemed to have disposed of a Common Share (other than in a disposition to the Corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Common Share, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share immediately before the disposition or deemed disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*”.

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains and certain dividends.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is not, and is not deemed to be, resident in Canada for the purposes of the Tax Act or any applicable income tax treaty or convention and does not use or hold Common Shares in connection with carrying on a business in Canada (“**Non-Resident Holder**”). This section of the summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act) and such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited, or deemed under the Tax Act to be paid or credited, by the Corporation to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. The rate of withholding tax under the *Canada-U.S. Income Tax Convention (1980)* (the “**Treaty**”) applicable to a Non-Resident Holder who is a resident of the United States for the purposes of the Treaty, who is the beneficial owner of the dividend, who is entitled to benefits under the Treaty, and who holds less than 10% of the voting stock of the Corporation, generally will be 15%. The Corporation will be required to withhold and deduct the required amount of withholding tax from the dividend, and to remit it to the CRA for the account of the Non-Resident Holder. **Non-Resident Holders who may be eligible for a reduced rate of withholding tax on dividends pursuant to any applicable income tax convention should consult with their own tax advisors with respect to taking all appropriate steps in this regard.**

Dispositions of Common Shares

A Non-Resident Holder that disposes or is deemed to dispose of a Common Share will not be subject to tax under the Tax Act on any capital gain realized on such disposition unless the Common Share constitutes “taxable Canadian property” of the Non-Resident Holder at the time of the disposition and such share is not “treaty-protected property”, each within the meaning of the Tax Act.

Generally, a Common Share will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV), unless at any time during the 60 month period immediately preceding the disposition, (a) at least 25% of the issued shares of any class or series of the capital stock of the Corporation were owned by or belonged to one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm’s length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) at such time, more than 50% of the fair market value the Common Share was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention, the consequences described above under the heading “*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*” will generally be applicable to such a disposition. Such Non-Resident Holders may also be subject to Canadian tax compliance obligations in such a circumstance and should consult with their own tax advisors in this regard.

PRIOR SALES

Common Shares

The following table summarizes details of the Common Shares issued by the Corporation during the 12 month period prior to the date of this Prospectus.

Date of Grant	Number of Common Shares Issued	Issue Price
May 29, 2020 ⁽¹⁾	2,773,659	\$0.15
September 17, 2020 ⁽²⁾	2,540,000	\$0.20
January 8, 2021 ⁽³⁾	173,156	\$0.15
January 11, 2021 ⁽¹⁾	5,714,284	\$0.35
February 3, 2021 ⁽⁵⁾	513,460	\$0.39
February 26, 2021 ⁽⁴⁾	500,000	\$0.40
March 9, 2021 ⁽⁴⁾	750,000	\$0.20
March 11, 2021 ⁽⁴⁾	50,000	\$0.40
March 23, 2021 ⁽³⁾	20,000	\$0.30
April 8, 2021 ⁽³⁾	250,000	\$0.30

⁽¹⁾ Issuance consisted of a non-brokered private placement for such number of Common Shares.

⁽²⁾ Issuance consisted of a non-brokered private placement of 2,540,000 units at an issue price of \$0.20 per unit. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant.

⁽³⁾ These Common Shares were issued upon the exercise of warrants.

⁽⁴⁾ These Common Shares were issued upon the exercise of options.

⁽⁵⁾ The Corporation issued 513,460 Common Shares in satisfaction of the Debt Settlement Agreement.

Warrants

The following table summarizes details of warrants which were issued by the Corporation during the 12-month period prior to the date of this Prospectus.

Date of Grant	Number of Warrants Issued	Exercise Price	Expiry Date
May 29, 2020 ⁽¹⁾	173,156	\$0.15	May 29, 2021
September 17, 2020 ⁽²⁾	1,270,000	\$0.30	September 17, 2021

Notes:

⁽¹⁾ Issuance consisted of finder's warrants offered in connection with a non-brokered private placement of 2,773,659 Common Shares on May 29, 2020. All of the finder's warrants were exercised on January 8, 2021.

⁽²⁾ Issuance consisted of a non-brokered private placement of 2,540,000 units at an issue price of \$0.20 per unit. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. 20,000 warrants were exercised on March 23, 2021 and 250,000 warrants were exercised on April 8, 2021.

⁽³⁾ On September 28, 2020, the Corporation extended the expiry date of 5,453,750 warrants to December 30, 2020 from September 30, 2020, 422,500 of which expired unexercised.

Options

The following table summarizes details of the options issued by the Corporation (each, an “**Option**”) during the 12-month period prior to the date of this Prospectus.

Date of Grant	Number of Options Granted	Exercise Price	Expiry Date
June 2, 2020	600,000	\$0.20	June 2, 2022
September 30, 2020 ⁽²⁾	750,000	\$0.20	September 30, 2022
November 18, 2020 ⁽³⁾	1,000,000	\$0.30	May 18, 2022
February 2, 2021 ⁽¹⁾	2,200,000	\$0.63	February 2, 2023
March 19, 2021 ⁽¹⁾	750,000	\$0.85	March 19, 2023
March 23, 2021	200,000	\$0.80	March 23, 2023

⁽¹⁾ The Corporation granted options to certain directors of the Corporation.

⁽²⁾ All of the options were exercised on March 9, 2021.

⁽³⁾ These options were issued to Blue Deer Capital Partners for non-exclusive financial advisory services to the Corporation.

⁽⁴⁾ On February 1, 2021, the Board approved the amendment of the vesting date for 1,080,000 options granted on March 13, 2018 with an exercise price of \$0.70 per Common Share to vest immediately on February 1, 2021, from a contingent vesting. On March 8, 2021, the expiry date of these options was extended to March 13, 2023, from March 13, 2021.

⁽⁵⁾ On March 29, 2021, TSXV approved the extension of the expiry date of 2,500,000 options from April 1, 2021, to April 1, 2023, and to reprice the exercise price from \$0.40 per option to \$0.80 per option.

TRADING PRICE AND VOLUME

The outstanding Common Shares are traded on the TSXV under the trading symbol “GIII”. The Common Shares are also listed on the OTCQB of the OTC Market Group under the trading symbol “ISRJF” and on the Frankfurt Stock Exchange under the symbol “PN4”. The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares on the TSXV for the 12-month period prior to the date of this Prospectus.

Month	Monthly High Price (\$)	Monthly Low Price (\$)	Monthly Volume
June (2020)	\$0.20	\$0.155	876,376
July (2020)	\$0.23	\$0.17	2,652,907
August (2020)	\$0.27	\$0.185	1,501,680
September (2020)	\$0.22	\$0.18	1,826,515
October (2020)	\$0.26	\$0.195	2,844,391
November (2020)	\$0.42	\$0.23	5,477,603
December (2020)	\$0.465	\$0.315	3,930,094
January (2021)	\$0.75	\$0.47	5,453,047
February (2021)	\$1.05	\$0.51	6,845,994
March (2021)	\$1.05	\$0.77	6,543,267
April (2021)	\$1.58	\$0.97	8,407,189
May (2021)	\$1.91	\$1.28	6,346,862
June 1, 2021	\$1.28	\$1.31	97,874

At the close of business on June 1, 2021, the last trading day prior to the date of this Prospectus, the price of the Common Shares as quoted by the TSXV was \$1.31.

RISK FACTORS

An investment in securities of the Corporation involves a significant degree of risk and must be considered highly speculative due to the nature of the Corporation's business. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Corporation and could cause the Corporation's operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Corporation.

These risk factors, together with all other information included or incorporated by reference in this Prospectus, including, without limitation, information contained in the section "Cautionary Note Regarding Forward-Looking Statements" as well as the risk factors set out below, should be carefully reviewed and considered by investors.

Some of the factors described herein, in the documents incorporated or deemed incorporated by reference herein are interrelated and, consequently, investors should treat such risk factors as a whole. If any of the adverse effects set out in the risk factors described herein, or in another document incorporated or deemed incorporated by reference herein 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 of 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 operations. The Corporation cannot provide assurance 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 adverse effects set out in the risk factors herein, or in the other documents incorporated or deemed incorporated by reference herein or other unforeseen risks.

Risks Associated with the Common Shares and the Offering

Liquidity and Capital Resources

Historically, capital requirements have been primarily funded through the sale of Common Shares and debt. Factors that could affect the availability of financing include the progress and results of ongoing production of the Facilities, the state of international debt and equity markets, and investor perceptions and expectations of global UMO markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Corporation. Based on the amount of funding raised, or otherwise revised, as necessary.

Discretion in the Use of Proceeds

The Corporation intends to spend the funds available as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. In such circumstances, the net proceeds will be reallocated at the Corporation's sole discretion. Management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Trading Price for the Common Shares is Volatile

The securities of publicly traded companies, can experience a high level of price and volume volatility and the value of the Corporation's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Corporation and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this Prospectus and in the documents incorporated by reference herein. The trading price of the Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- (a) issuances of the Common Shares or debt securities by the Corporation;
- (b) the Corporation's operating performance and the performance of competitors and other similar companies;
- (c) the addition or departure of key management and other personnel;
- (d) the expiration of transfer restrictions on outstanding Common Shares;

- (e) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- (f) the public's reaction to the Corporation's press releases, other public announcements and the Corporation's filings with the various securities regulatory authorities;
- (g) changes in recommendations by research analysts who track the Common Shares or the shares of other companies in the resource sector;
- (h) the number of the Common Shares to be publicly traded after an offering; and
- (i) the factors listed under the heading "Cautionary Note Regarding Forward-Looking Statements".

In addition, the market price of the Common Shares is affected by many variables not directly related to the Corporation's success and therefore not within the Corporation's control. Factors which may influence the price of the Corporation's securities, include, but are not limited to: worldwide economic conditions; changes in government policies; investor perceptions; movements in global interest rates and global stock markets; variations in operating costs; the cost of capital that the Corporation may require in the future; the market price of UMOs; the price of commodities necessary for the Corporation's operations; the development and operations of the Facilities; recommendations by securities research analysts; the share price performance of the Corporation's competitors; news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the UMO sector; publicity about the Corporation, the Corporation's personnel or others operating in the industry; loss of a major funding source; and all market conditions that are specific to the recycled motor oil industry, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price Common Shares on the exchanges on which the Corporation trades has historically made the Corporation's share price volatile and suggests that the Corporation's share price will continue to be volatile in the future.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Sales of a significant number of Common Shares in the public markets, or the perception of such sales, could depress the market price of the Common Shares

Sales of a substantial number of Common Shares or other equity-related securities in the public markets by the Corporation or its significant shareholders could depress the market price of the Common Shares and impair our ability to raise capital through the sale of additional equity securities. The Corporation cannot predict the effect that future sales of Common Shares or other equity-related securities would have on the market price of the Common Shares. The price of the Common Shares could be affected by possible sales of the Common Shares by hedging or arbitrage trading activity. If the Corporation raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of the Corporation and reduce the value of their investment.

Holders of Common Shares will be diluted

The Corporation may issue additional securities in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Corporation have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Corporation on the exercise of options under the Corporation's stock option plan and upon the exercise of outstanding warrants, including the Compensation Options.

The Corporation's directors can issue Preferred Shares without shareholder approval, which may give the holders thereof a liquidation preference

The Corporation's authorized share capital consists on an unlimited number of preferred shares (the "**Preferred Shares**") which may be issued in one or more series. The designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares may be determined by the Board from time to time by a resolution. The rights, privileges and

conditions attached to the Preferred Shares may give holders thereof, liquidation and other preferences over the holders of Common Shares. The payment of the liquidation preferences could result in the holders of Common Shares not receiving any consideration if the Corporation were to liquidate, dissolve or wind up, either voluntarily or involuntarily. Additionally, the existence of the liquidation preferences may reduce the value of the Common Shares, if the Preferred Shares are issued with these rights and may make it harder for the Corporation to sell Common Shares in offerings in the future or prevent or delay a change of control. Because the Board can designate the powers and preferences of the Preferred Shares without a vote of the Corporation's shareholders, subject to applicable securities rules and regulations, the Corporation's shareholders will have no control over what designations and preferences any potential Preferred Shares, if any, will have.

Risks Relating to the Corporation

Prior to making an investment decision, prospective purchasers of Common Shares should carefully consider the information described in this Prospectus and the documents incorporated or deemed incorporated by reference herein. There are certain risks inherent in an investment in the Common Shares, including the factors described under the heading "Risks Factors" in the Annual Information Form for the year ended December 31, 2020, and any other risk factors described in this Prospectus or in a document incorporated or deemed incorporated by reference in this Prospectus, which investors should carefully consider before investing.

Negative Operating Cash Flow

To date, the Corporation has recorded no operating cash flow and the Corporation has not commenced commercial production of any of its re-refined products that are currently in development. There can be no assurance that significant losses will not occur in the near future or that the Corporation will be profitable in the future. The Corporation's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel, equipment, and materials associated with constructing its facilities and achieving commercial production of its products increases. The Corporation expects to continue to incur losses unless and until such time as its products enters into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Corporation's products will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Corporation will ever generate positive operating cash flow or achieve profitability.

Unanticipated problems or delays in building the Facilities to the proper specifications may harm business and viability

The Corporation's future growth and operations will depend on its ability to timely and economically complete and operate the Facilities. If development of the Facilities is threatened for unexpected reasons, the Corporation's business may experience a substantial setback. Moreover, the occurrence of significant unforeseen conditions or events in connection with the construction of the Facilities may cause management to re-examine its business model. Any change to the business model or management's evaluation of the viability of the Corporation's planned services may adversely affect its business. Construction costs for the Facilities may also increase to a level that would make the Facilities too expensive to complete or unprofitable to operate. Contractors, engineering firms, construction firms, and equipment suppliers also receive requests and orders from other companies and, therefore, the Corporation may not be able to secure their services or products on a timely basis or on acceptable financial terms. The Corporation may suffer significant delays or cost overruns as a result of a variety of factors, such as increases in the prices of raw materials, shortages of workers or materials, transportation constraints, adverse weather, equipment failures, fires, damage to or destruction of property and equipment, environmental damage, unforeseen difficulties, or labour issues, any of which could prevent the Corporation from beginning or completing construction or commencing operations at the Facilities.

The Corporation's operations would be negatively affected if it is unable to use the Facilities in the future

The Corporation's future business growth relies heavily on an investment into the Facilities. If the Corporation is unable to operate the Facilities for any reason, it will not be able to effectively generate revenue or compete with additional technologies brought to market by competitors, the quality of finished products may decline and the Corporation's finished products could be worth less, and if competitors are willing to pay more for supplies than the Corporation, they could drive up prices, which would cause revenues to decrease, and cause cost of sales to increase, respectively. Additionally, if the Corporation is forced to pay more for supplies, cash flows will be negatively impacted and margins will decrease.

The proposed oil re-refineries may not generate the operating results that the Corporation anticipates and may lead to greater volatility in future revenue and earnings

There can be no assurance that unforeseen market conditions, such as a material drop in crude oil prices, will not adversely impact the operation or profitability of the proposed Facilities. The Corporation's ability to operate the proposed Facilities

at capacity and realizing the anticipated benefits therefrom in a timely manner, or at all, may be affected by the various factors, including: the ability of employees and management to run the Facilities at design rates safely and in compliance with all relevant regulations; routine maintenance; unplanned shutdowns or unscheduled shutdowns; demand for base lubricating oils and specifically the base lubricating oils that the Corporation intends to produce; logistics; efficient transportation of UMO feedstock; availability of storage facilities for raw materials and products; prices for UMO feedstock and base lubricating oils; required volumes of UMO feedstock and the ability to acquire such feedstock at competitive prices.

The condition of third parties may adversely affect the Corporation

The Corporation relies on customers, suppliers, subcontractors, and other third parties for demand for the Corporation's products and services and to provide it with products and services necessary for the completion and delivery of the Corporation's products and services. Significant changes in the conditions of third parties may reduce demand for the Corporation's products and services, increase in the price of the components or services provided by third parties, delay deliveries of products or services, or result in the failure by these third parties to perform services or deliver products, each of which could have a material adverse effect on the Corporation's business, financial condition, and results of operations.

The Corporation's commercial success will depend in part on its ability to obtain, maintain, and protect its intellectual property

The Corporation's success will depend in part on its ability to maintain or obtain and enforce patent rights and other intellectual property protection for its technologies, to preserve its trade secrets, and to operate without infringing upon the proprietary rights of third parties. The Corporation currently relies heavily on its ability to use ReGen™ technology. The failure to obtain or maintain patents or other intellectual property protection on the technologies underlying its technologies may have a material adverse effect on the Corporation's competitive position and business prospects. It is also possible that the Corporation's technologies may infringe on patents or other intellectual property rights owned by others. Management may have to alter the Corporation's products or processes, pay licensing fees, defend an infringement action or challenge the validity of the patents in court, or cease activities altogether because of patent rights of third parties, thereby causing additional unexpected costs and delays to it. A license may not be available to the Corporation, if at all, upon terms and conditions acceptable to management and the Corporation may not prevail in any intellectual property litigation. Intellectual property litigation is costly and time consuming, and the Corporation may not have sufficient resources to pursue such litigation. If the Corporation does not obtain a license under such intellectual property rights, are found liable for infringement or are not able to have such patents declared invalid, the Corporation may be liable for significant money damages and may encounter significant delays in bringing products to market.

Risks Relating to Potential Acquisitions

In the future, management may seek to grow the Corporation's business by investing in new or existing facilities, or technologies, either by making acquisitions or entering into partnerships and joint ventures. Acquisitions, partnerships, joint ventures or investments may require significant managerial attention, which may divert management from other activities and may impair the operation of the Corporation's existing businesses. Potential acquisitions may also carry additional risks including: a failure to successfully integrate the acquired businesses, facilities or new technology into current operations, incurring higher than anticipated capital expenditures and operating expenses, disruption for the Corporation's ongoing business, dissipating current resources, failing to maintain uniform standards controls and policies, an inability to maintain key relationships following the acquisition, loss of key personnel of the acquired business or facility, incurring significant debt, dilution of the Common Shares if the acquisition is funded through equity, exposure to unanticipated liabilities and a failure to realize efficiencies, synergies and cost savings.

The Corporation may also assume liabilities and environmental liabilities as part of the acquisitions. Although management will endeavor to accurately estimate, and limit liabilities and environmental liabilities presented by the businesses or facilities to be acquired, some liabilities, including ones that may exist only because of the past operations of an acquired business or facility, may prove to be more difficult or costly to address than management initially estimates. It is also possible that government officials responsible for enforcing environmental laws may believe an environmental liability is more significant than management estimates, or that management will fail to identify or fully appreciate an existing liability before the Corporation becomes legally responsible to address it. The Corporation may have no recourse, or only limited recourse, to the former owners of such properties in the event such liabilities are present. As a result, if a liability were asserted against the Corporation based upon ownership of an acquired property, the Corporation might be required to pay significant sums to settle it, which could adversely affect financial results and cash flow.

Management will regularly review potential acquisitions of complementary businesses, services or products. However, management may be unable to identify suitable acquisition candidates in the future. Even if management does identify appropriate acquisition candidates, the Corporation may be unable to complete or finance such acquisitions on favorable terms, if at all. In addition, the process of integrating an acquired business, service or product into the Corporation's existing business and operations may result in unforeseen operating difficulties and expenditures.

If the Corporation is unable to obtain new customers, revenue and cash flows could be reduced to levels that could adversely affect the Corporation's results of operations

The Corporation's future growth will be dependent on its ability to obtain new customers. Any of the following factors could result the Corporation being unable to obtain new customers, including: a material decrease in the supply or price of crude oil or petroleum related products in which the Corporation deals, a material decrease in demand for the finished products in the markets the Corporation serves, scheduled refinery turnarounds or unscheduled maintenance, operational problems, or catastrophic events at any of the Facilities. If any of the above were to happen results of operations could be materially adversely affected and the value of the Common Shares could decline in value.

Reliance on Key Contracts

The Corporation currently has two customers, Elbow River and BP, and is subject to the provisions of the purchase and sale agreements entered into with these entities. The Corporation's current and future business operations is dependent on Elbow River and BP maintaining their obligations under these agreements. In addition, the Corporation's business is also dependent on being able to maintain their own obligations under these agreements. If any party defaults on their obligations, either intentionally or unintentionally, it will have an adverse effect on the Corporation's current and future business expectations. Moreover, if the Corporation is unable to maintain these contracts under favourable terms, there is no guarantee the Corporation will be able to find suitable substitutes and could adversely affect the trading price of its Common Shares.

Improvements in or new discoveries of alternative energy technologies and/or government mandated use of such technologies and/or government restrictions or quotas on the use of oil and gas, could have a material adverse effect on the Corporation's financial condition and results of operations

Because the Corporation's business depends on the demand for used oil, any improvement in or new discoveries of alternative energy technologies (such as wind, solar, geothermal, fuel cells and biofuels), government mandated use of such technologies and/or government restrictions or quotas on the use of oil and gas that increase the use of alternative forms of energy and/or reduce the demand or market for oil, used oil, and oil and used oil related products could have a material adverse impact on the Corporation's business, financial condition, and results of operations.

In addition to the above, the Corporation may be exposed to risks related to laws passed by governments or regulations incentivizing or mandating the use of alternative energy sources, such as wind power and solar energy, which may reduce demand for oil and natural gas. Such laws, regulations, treaties or international agreements could result in increased compliance costs or additional operating restrictions, which may have a negative impact on the Corporation's business and could adversely affect the Corporation's operations by limiting opportunities.

The Corporation may not be able to service its customers and operate its business in an adequately safe manner

In the operation of facilities and in servicing customers, employees of the Corporation will be exposed to potential hazards. If we are not able to provide a safe environment for our employees and properly train them to identify, avoid, report, and help rectify unsafe conditions, this may lead to an excessive number of recordable incidents, lost work time, etc. An excessive number of recordable incidents and lost work time can lead to excessive expense and a poor safety rating which could prevent us from achieving our profitability goals. A poor safety rating could potentially eliminate the Corporation from being able to service certain customers and further limit our chances of meeting our business objectives.

The Corporation may be subject to citizen opposition and negative publicity due to public concerns over its operations and planned future operations, which could have a material adverse effect on the Corporation's business, financial condition or results of operations

There currently exists a high level of public concern over hazardous waste and refining and re-refining operations, including with respect to the location and operation of transfer, processing, storage and disposal facilities. Part of management's business strategy is to increase the Corporation's re-refining capacity through the construction of new facilities in growth markets, including production of the Facilities. Zoning, permit and licensing applications and proceedings, as well as regulatory enforcement proceedings, are all matters open to public scrutiny and comment.

Accordingly, from time to time the Corporation may be subject to citizen opposition and publicity which may damage its reputation and delay or limit the planned expansion and development of future facilities or operations or impair the Corporation's ability to renew existing permits, any of which could prevent management from implementing their growth strategy and have a material adverse effect on the Corporation's business, financial condition or results of operations.

Strategic relationships on which the Corporation relies on are subject to change

Management's ability to identify and enter into commercial arrangements with suppliers and re-refined oil clients depends on developing and maintaining close working relationships with industry participants. The Corporation's success in this area also depends on management's ability to select and evaluate suitable projects as well as to consummate transactions in a highly competitive environment. These factors are subject to change and may impair the Corporation's ability to grow.

If the Corporation cannot maintain adequate insurance coverage, it may be unable to conduct certain operations

The Corporation's business exposes it to various risks, including claims for causing damage to property and injuries to persons that may involve allegations of negligence or professional errors or omissions in the performance of the Corporation's services. Such claims could be substantial. If the Corporation is unable to obtain adequate or required insurance coverage in the future, or if such insurance is not available at affordable rates, the Corporation could be in violation of permit conditions and other requirements of the environmental laws, rules and regulations under which the Corporation operates. Such violations could render the Corporation unable to proceed with certain operations. These events could result in an inability to operate certain assets and significantly impair the Corporation's financial condition.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis. The Corporation strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Financing Risks

The Corporation has finite financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to achieve its stated business objectives. Achieving these business objectives will be dependent upon the Corporation's ability to obtain financing through equity or debt financing or other means.

General Market Risk

The Corporation's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Corporation and its securities.

Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of volatility, and the share prices of securities of many companies, particularly junior companies like the Corporation, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Accordingly, the price of the Common Shares is expected to be highly volatile and will be drastically affected by operating results. The Corporation cannot predict the results of future business activities. The success or failure of the Corporation's re-refining oil business will inevitably affect the Corporation's decisions and will likely trigger major changes in the trading price of the Common Shares. As such, there can be no assurance that these price fluctuations and volatility will not continue to occur.

Future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements

From time to time, the Corporation may be involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of its business. Many of these matters raise difficult and complicated factual and legal issues and are subject to uncertainties and complexities. The timing of the final resolutions to these matters is

often uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting the Corporation's results of operations and liquidity.

If current environmental laws and regulations are changed, we may be forced to materially alter our business model, which could have a material adverse effect on our business, operations or financial condition

Environmental laws and regulations are subject to change and may become increasingly stringent or relaxed. Interpretation or enforcement of existing laws and regulations, or the adoption of new laws and regulations, may require us to modify or curtail our operations or replace or upgrade facilities or equipment at substantial costs which we may not be able to pass on to our customers. On the other hand, if new laws and regulations are less stringent, then our customers or competitors may be able to manage waste more effectively without reliance on our service, which could decrease the need for our services and/or increase competition which could adversely affect the development of our projects, our future prospects, business, operations, or financial condition.

COVID-19

The Corporation's business could be adversely impacted by the effects of COVID-19. In addition to global macroeconomic effects, the COVID-19 outbreak and any other related adverse public health developments will cause disruption to operations, research, and development, and sales activities. The Corporation's third-party manufacturers, third-party distributors, and customers have been and will be disrupted by worker absenteeism, quarantines, and restrictions on employees' ability to work, office and factory closures, disruptions to ports and other shipping infrastructure, border closures or other travel or health-related restrictions. Depending on the magnitude of such effects on the Corporation's activities or the operations of its third-party manufacturers and third-party distributors, the supply of its products will be delayed, which could adversely affect business, operations, and customer relationships. In addition, the COVID-19 or other disease outbreak will, in the short-run, and may, over the longer term, adversely affect the economies and financial markets of many countries, resulting in an economic downturn that will affect demand for products and impact operating results. Although the magnitude of the impact of the COVID-19 outbreak on the Corporation's business and operations remains uncertain, the continued spread of COVID-19 or the occurrence of other epidemics and the imposition of related public health measures and travel and business restrictions will adversely impact business, financial condition, operating results, and cash flows. In addition, the Corporation has experienced and will experience disruptions to business operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of employees to perform their jobs that may impact the ability to develop and design products in a timely manner or meet required milestones or customer commitments.

Global Financial Conditions

Global financial conditions continue to be characterized by volatility. Many industries are impacted by volatile market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fluctuations in fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Corporation's growth and financial condition. Future economic shocks may be precipitated by a number of causes, including government debt levels, fluctuations in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the volatility of currency exchanges, the devaluation and volatility of global stock markets, and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Corporation's ability to obtain equity or debt financing in the future on terms favourable to the Corporation or at all. In such an event, the Corporation's operations and financial condition could be adversely impacted.

Currency

The Corporation maintains its accounts in Canadian currency. The Corporation will likely incur expenses in foreign currencies, including through the development of the USGC Facility, and, consequently, will be subject to foreign currency fluctuations. Such fluctuations may materially affect its financial position and results. The Corporation does not, and the Corporation is not expected to, engage in currency hedging activities in the near future.

Fluctuations of Oil Prices

The Corporation's business involves buying UMO from suppliers who collect the UMO, re-refining such UMO into base lubricating oils and other ancillary products and then selling both such re-refined oil and other products from the re-refining

process to customers. Changes in the reported spot market prices of oil affect the prices at which the Corporation can sell those finished products.

The cyclical nature of the commodities business

The commodities industry is cyclical in nature and is prone to shortages of supply of equipment and services including, engineering and construction services and construction materials. These materials and services may not be available when required at reasonable prices. A failure to secure equipment necessary to our operations for the expected price, on the expected timeline, or at all, may have an adverse effect on our financial condition, results of operations, and cash flows.

Entrance into U.S. Re-refining Market

The Corporation will be operating the USGC Facility in the United States, a jurisdiction which the Corporation does not have experience operating in. The Corporation may face certain inherent challenges associated with operating in a new market, including establishing reliable supply chains and forming relationships with customers, suppliers and subcontractors. These challenges may increase the Corporation's costs and decrease cash flow and profitability. The Corporation may also face challenges associated with operating in a new regulatory and legal environment, both at the State and Federal level. The Corporation's lack of experience operating in the states in the Gulf Coast of the United States, and may increase the Corporation's regulatory, legal and compliance costs.

The Corporation may be unable to manage its growth

The Corporation's anticipated growth may place material strain on its management and operational and financial resources. The Corporation anticipates that continued growth will require the Corporation to recruit, hire, and retain new managerial, finance, sales, marketing, and operational personnel. The Corporation cannot be certain that it will be successful in recruiting, hiring, or retaining those personnel. ReGen's ability to compete effectively and to manage its future growth, if any, will depend on its ability to maintain and improve operational, financial, and management information systems on a timely basis and to expand, train, motivate, and manage our work force. If we continue to grow, we cannot be certain that our personnel, systems, procedures, and controls will be adequate to support its operations.

The Corporation's future capital needs are uncertain and its ability to access additional financing may be negatively impacted by the volatility and disruption of the capital and credit markets and adverse changes in the global economy

The Corporation's capital requirements in the future will depend on many factors, including, but not limited to:

- acceptance of and demand for, and pricing of our products and services;
- the extent to which we invest in new technology and product development;
- the costs of developing new products, services or technologies; and
- the costs associated with the growth of our business, if any.

If global economic conditions worsen, we could experience a decrease in cash flows from operations and may need additional financing to fund operations and access to additional debt or equity may not be available on acceptable terms or at all. In addition, the terms of the Credit Agreement restrict our ability to incur additional indebtedness. If we cannot raise funds on acceptable terms when necessary, we may not be able to develop or enhance products and services, execute our business plan, take advantage of future opportunities or respond to competitive pressures or unanticipated customer requirements.

Demand

A decrease in demand for refined crude products could adversely impact the price that the Corporation and its future joint venture and strategic partners receive for the re-refined oil products produced by the Corporation's proposed re-refinery. A prolonged period of low demand could affect the value of the Corporation's assets and business prospects.

Receipt of UMO

It is important that the UMO feedstock meets certain specifications to create an efficient refinery process. Feedstock that does not meet these specifications, if processed through the re-refinery, may have excess water content, may result in increased processing requirements, and/or may result in excess waste and/or cost to process the feedstock. Management of the Corporation plans to develop a quality control/quality assurance program in order to screen UMO feedstock to mitigate the risk that UMO feedstock meets all applicable standards however any failures in this risk mitigation strategy or any unforeseen circumstances could have an adverse effect on the Corporation.

Health, Safety, and Environment

The storage and transfer of crude oil products has a limited impact on the environment when conducted in compliance with applicable government policies and regulations. However, the potential exists for accidents to occur or equipment to fail which could result in the release of UMO or finished products into the environment and such release could result in damage to facilities, death or injury and liability to third parties.

In Canada, federal and provincial regulators responsible for the safe handling of hazardous materials continue to review, revise and implement new safety standards to enhance the safety of the public. New safety standards have the potential for a significant cost to implement and maintain; however, the cost and timing to comply with any such new or proposed changes is unknown at this time.

Competition

Management of the Corporation is presently unaware of any direct competitors that are currently re-refining UMO into marketable quantities of comparable Group II+ and Group III base oil products; however, large-scale facilities, such as Motiva Enterprises, LLC, in the USGC, that produce base oils from virgin crude oil, could be considered indirect competitors of the Corporation.

The drop in crude oil prices beginning in 2014 and continuing into 2021 has brought a corresponding decrease in pricing for products such as propane and natural gas, which are attractive substitutes for UMO in certain plant burner fuel applications due to their superior combustion properties and lower environmental regulatory requirements. Many companies have converted their facilities over to the convenience of using propane or natural gas because such fuels burn cleaner and more efficiently, which effectively could increase the supply of UMO for the Corporation.

Cyberattacks or security breaches could have a material adverse effect on the Corporation's business, financial condition and results of operations

The Corporation is dependent upon information systems and will be dependent on other digital technologies for controlling the Facilities, processing transactions and summarizing and reporting results of operations. The secure processing, maintenance and transmission of information is critical to the Corporation's current and future operations. The Corporation monitors existing information systems on a 24/7 basis in an effort to detect cyberattacks or security breaches. These efforts have been implemented along with other risk mitigation procedures to detect and address unauthorized and damaging activity on the Corporation's network, stay abreast of the increasing threat landscape and improve security posture. Information technology system failures, communications network disruptions (whether intentional by a third party or due to natural disaster), and security breaches could still impact equipment and software used to control future facilities, resulting in improper operation of assets, potentially including delays in the delivery or availability of customers' products, contamination or degradation of the products the Corporation transports, stores or distributes, or releases of hydrocarbon products and any other damage to the Corporation's future facilities for which the Corporation could be held liable.

Furthermore, the Corporation collects and stores sensitive data in the ordinary course of business, including personally identifiable information of employees as well as proprietary business information including that of customers, suppliers, investors and other stakeholders. Despite current security measures, information systems may become the target of cyberattacks or security breaches (including employee error, malfeasance or other breaches), which could result in the theft or loss of the stored information, misappropriation of assets, disruption of transactions and reporting functions, the Corporation's ability to protect customer or company information and financial reporting. Even with insurance coverage, a claim could be denied or coverage delayed. A cyber-attack or security breach could result in liability under data privacy laws, regulatory penalties, damage to reputation or a loss of consumer confidence in products and services, or additional costs for remediation and modification or enhancement of information systems to prevent future occurrences, all of which could have a material and adverse effect on the Corporation's business, financial condition or results of operations.

Dependence on Key Personnel

The Corporation depends on a relatively small number of key qualified personnel, key senior management, and other employees. As the Corporation's business grows, the Corporation may recruit additional management and other personnel. There is no assurance that the key qualified personnel will continue to provide services to the Corporation or will honour the agreed terms and conditions of their employment or contracts. Any loss of key personnel or failure to recruit and retain personnel for the Corporation's future operations and development could have a material adverse effect on the Corporation's business and results of operations. The Corporation does not have key person insurance on these individuals.

Disruption Due to Unexpected Disasters or Crises

Disruptions in the activities of the Corporation may be caused by natural disasters, effects of climate change and man-made activities, pandemics (including the COVID-19 pandemic), trade disputes and disruptions, war, terrorism, and any other forms of economic, health, or political disruptions. The Corporation's financial conditions are reliant on continued operations, and in circumstances where continued operations including, but not limited to, construction plans, construction in progress, supply of equipment, are not possible, the Corporation is likely to experience a decline in its revenue, and may suffer additional disruptions in the form of lack of access to its workforce contractors, suppliers, engineering consultants, customers, technology, or other assets. The extent of the impact on the Corporation will vary with the extent of the disruption and cannot be adequately predicted in advance.

Potential Conflicts of Interest

Some of the directors or officers of the Corporation are also directors, officers and/or promoters of other reporting and non-reporting issuers. Situations may arise where the directors and/or officers of the Corporation may be in competition with the Corporation. Any conflicts will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Corporation are required to act honestly, in good faith, and in the best interest of the Corporation.

No Dividends

Any payments of dividends will be dependent upon the financial requirements of the Corporation to finance future growth, the financial condition of the Corporation, and other factors which the Board may consider appropriate in the circumstances. It is unlikely that the Corporation will pay dividends in the immediate or foreseeable future.

Risk Management and Internal Control Systems

The Corporation's directors together with its senior management are responsible for overseeing the Corporation's internal control policies and procedures. The Corporation has established risk management and internal control systems consisting of policies, procedures and risk management methods that the Corporation believes are appropriate for the Corporation's business operations. However, due to the inherent limitations in the design and implementation of these systems, there is a risk that these systems will not be sufficiently effective in identifying and preventing a deficiency in internal controls. In addition, as some of the risk management and internal control policies and procedures are relatively new, the Corporation may need to establish and implement additional policies and procedures to further improve the Corporation's systems from time to time. Since the Corporation's risk management and internal controls depend on implementation by Corporation employees, there is a risk that such implementation will involve human errors or mistakes. If the Corporation fails to implement its policies and procedures in a timely manner or fails to identify risks that affect the Corporation's business, results of operations, and financial condition could be materially and adversely affected.

MATERIAL CONTRACTS

Other than in the ordinary course of business, the Corporation has entered into the following material contracts:

1. The underwriting agreement between the Corporation and the Underwriters in respect of the Offering dated June 2, 2021.
2. The definitive, multi-year offtake agreement between BP and the Corporation dated May 1, 2021. See “*The Corporation – BP Offtake Agreement*” above.
3. The purchase and sale agreement between Elbow River and the Corporation dated September 12, 2017. See “*The Corporation – Elbow River Purchase and Sale Agreement*” above.

A copy of the material contracts described above have been filed with the applicable Canadian securities regulatory authorities and are available under the Corporation’s issuer profile on SEDAR at www.sedar.com.

INTEREST OF EXPERTS

Experts who have prepared reports for the Corporation directly or in a document incorporated by reference to the Prospectus include the following:

Ernst & Young LLP, Chartered Professional Accountants of Vancouver, British Columbia, are the Corporation’s auditor and report that they are independent in the context of the CPA Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Each of Cassels Brock & Blackwell LLP, counsel for the Corporation, and Bennett Jones LLP, counsel for the Underwriters, have provided its opinion on certain matters contained in this Prospectus. As of the date hereof, partners and associates of Cassels Brock & Blackwell LLP and Bennett Jones LLP each as a group, own, directly or indirectly, in the aggregate, less than one percent of the securities of the Corporation.

None of the above-mentioned experts has any registered or beneficial interest, directly or indirectly, in any securities or other properties of the Corporation. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer, or employee of the Corporation. As at the date hereof, such persons, and the directors, officers, partners, and employees, as applicable, of each of the experts beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Corporation.

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 of Canada, 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.

CERTIFICATE OF THE CORPORATION

Dated: June 2, 2021

This short form prospectus, together with the documents incorporated 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 British Columbia, Alberta, and Ontario.

(Signed) GREGORY CLARKES

Chief Executive Officer, Chairman and Director

(Signed) RICK LOW

Chief Financial Officer

On behalf of the Board of Directors

(Signed) BOB RENNIE

Director

(Signed) LARRY VAN HATTEN

Director

CERTIFICATE OF THE UNDERWRITERS

Dated: June 2, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated 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 British Columbia, Alberta, and Ontario.

PARADIGM CAPITAL INC.

(Signed) JASON TUCKER

Jason Tucker
Managing Director

CANACCORD GENUITY CORP.

(Signed) JAMIE BROWN

Jamie Brown
Managing Director,
Head of Investment Banking, Western Canada

HAYWOOD SECURITIES INC.

(Signed) DARRELL BISHOP

Darrell Bishop
Managing Director

CORMARK SECURITIES INC.

(Signed) ERIK PEDERSON

Erik Pederson
Managing Director