

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 securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and, accordingly, may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Nanalysis Scientific Corp., at Bay 1, 4600 - 5th Street NE, Calgary, AB T2E 7C38, Telephone (403) 831-6968, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

August 17, 2021



\$8,000,040
6,666,700 Units
\$1.20 per Unit

This short form prospectus (the "**Prospectus**") is being filed by Nanalysis Scientific Corp. ("**Nanalysis**" or the "**Corporation**") to qualify the distribution by the Corporation (the "**Offering**") of 6,666,700 units (the "**Units**") of the Corporation at a price of \$1.20 per Unit (the "**Offering Price**") for aggregate gross proceeds of \$8,000,040. Each Unit consists of one common share in the capital of the Corporation (a "**Unit Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances in accordance with the terms of the Warrant Indenture (as defined hereinafter), one common share in the capital of the Corporation (a "**Warrant Share**") at an exercise price of \$1.70 (the "**Warrant Exercise Price**") until the date that is 24 months following the Closing Date (as defined hereinafter). The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into on or before the Closing Date between the Corporation and AST Trust Company (Canada) (the "**Warrant Agent**"), as warrant agent. See "*Description of Securities Being Distributed*".

The Offering is being undertaken pursuant to the terms of an underwriting agreement dated as of August 4, 2021 (the "**Underwriting Agreement**") among the Corporation and Echelon Wealth Partners Inc. ("**Echelon**" or the "**Lead Underwriter**") as lead underwriter and sole bookrunner, along with Leede Jones Gable Inc. (together with the Lead Underwriter, the "**Underwriters**"). The terms of the Offering, including the Offering Price, were determined by arm's length negotiation between the Corporation and the Lead Underwriter, on behalf of the Underwriters. The Units will be offered in British Columbia, Alberta, and Ontario. See "*Plan of Distribution*".

The common shares in the capital of the Corporation (the "**Common Shares**") are currently listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "NSCI". The closing price of the Common Shares on the TSXV on July 28, 2021, the trading day prior to the announcement of the Offering, was \$1.34. The closing price of the Common Shares on the TSXV on August 16, 2021, the last trading day prior to the date of this Prospectus, was \$1.13 per Common Share. The TSXV has conditionally approved the listing of (i) the Unit Shares, (ii) the Warrant Shares, (iii) the Additional Shares (as defined hereinafter), and (iv) the Common Shares issuable on the exercise of the Additional Warrants (as defined hereinafter), on the TSXV. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSXV.

	<u>Price to Public</u>	<u>Underwriters' Fee⁽¹⁾⁽²⁾</u>	<u>Net Proceeds to the Corporation⁽²⁾⁽³⁾</u>
Per Unit	\$1.20	\$0.084	\$1.116
Total Offering	\$8,000,040.00	\$560,002.80	\$7,440,037.20

Notes:

- (1) The Underwriters will be paid an aggregate cash fee (the "**Underwriters' Fee**") equal to 7.0% of the gross proceeds of the Offering (subject to a reduced fee of 3.5% cash commission for up to 10% of the Units sold in the Offering (including the Over-Allotment Option) sold to certain purchasers designated by the Corporation and agreed to by the Underwriters (the "**President's List**"). In addition, the Corporation will pay to the Lead-Underwriter a corporate finance fee (the "**Corporate Finance Fee**") of \$25,000, in cash. The Corporation has also agreed to issue warrants to the Underwriters (collectively, the "**Broker Warrants**" and each a "**Broker Warrant**") equal to 7.0% of the Units sold in the Offering (including the Over-Allotment Option) (subject to a reduction in the number of Broker Warrants to be issued in respect of President's List subscribers equal to 3.5% of the Units sold to President's List subscribers). Each Broker Warrant entitles the holder thereof to acquire one Common Share (a "**Broker Warrant Share**") at the Warrant Exercise Price for a period of 24 months following the Closing Date.
- (2) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering, including the Corporate Finance Fee, estimated to be approximately \$350,000.
- (3) The Corporation has granted the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, from time to time, for a period of 30 days from and including the Closing Date (the "**Over-Allotment Deadline**"), to purchase up to an additional 1,000,006 Units (the "**Additional Units**") at the Offering Price per Additional Unit to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters to acquire: (i) up to 1,000,006 Additional Units at the Offering Price, (ii) up to 1,000,006 additional Unit Shares (the "**Additional Shares**") at a price of \$1.164 per Additional Share, (iii) up to 500,003 additional Warrants (the "**Additional Warrants**") at a price of \$0.072 per Additional Warrant, or (iv) any combination of the Additional Units, the Additional Shares, and the Additional Warrants, provided that (A) the aggregate number of Additional Units does not exceed 1,000,006, (B) the aggregate number of Additional Shares does not exceed 1,000,006, and (C) the aggregate number of Additional Warrants does not exceed 500,003. The Additional Warrants will have the same terms as the Warrants. The Over-Allotment Option is exercisable by the Underwriters giving notice to the Corporation prior to the Over-Allotment Deadline, which notice shall specify the number of Additional Units, Additional Shares and/or Additional Warrants to be purchased. A person who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus regardless of whether the Underwriters' 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, assuming completion of the Offering, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Corporation", before deducting the expenses of the Offering, will be \$9,200,047.20, \$644,003.30, and \$8,556,043.90, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, Additional Shares and Additional Warrants issuable upon exercise of the Over-Allotment Option. See "*Plan of Distribution*" and the table below.

The following table sets forth the maximum number of securities that may be issued by the Corporation pursuant to the exercise of the Over-Allotment Option:

Underwriters' Position	Maximum size or number of securities available⁽¹⁾	Exercise period	Exercise price
Over-Allotment Option	1,000,006 Additional Units 1,000,006 Additional Shares 500,003 Additional Warrants	For a period of 30 days from and including the Closing Date	\$1.20 per Additional Unit \$1.164 per Additional Share \$0.072 per Additional Warrant
Broker Warrants ⁽²⁾	536,669 Broker Warrants	For a period of 24 months from the Closing Date	\$1.70 per Broker Warrant Share

Notes:

- (1) Assuming exercise of the Over-Allotment Option in full.
- (2) This Prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to: (i) the "Offering" include the exercise of the Over-Allotment Option; (ii) "Units" include the Additional Units issuable upon exercise of the Over-Allotment Option; (iii) "Unit Shares" include the Additional Shares issuable upon exercise of the Over-Allotment Option and the Broker Warrant Shares issuable upon exercise of the Broker Warrants; (iv) "Warrants" include the Additional Warrants issuable upon exercise of the Over-Allotment Option; (v) "Warrant Shares" include the Common Shares issuable upon exercise of the Additional Warrants; and (vi) "Broker Warrants" include the Broker Warrants issuable upon exercise of the Over-Allotment Option.

The Corporation intends to complete a non-brokered private placement (expected to close concurrently with the Offering on or about August 25, 2021) of up to 4,166,666 Units at a price of \$1.20 per Unit for gross proceeds of up to \$4,999,999.20 (the "**Concurrent Private Placement**"). Closing of the Concurrent Private Placement is subject to the

(iii)

approval of the TSXV. No commission or other fee will be paid to the Underwriters in connection with the sale of Units pursuant to the Concurrent Private Placement. The Corporation may pay finder's fees in connection with the Concurrent Private Placement in amounts up to 5% cash.

The Underwriters, as principals, conditionally offer the Units, 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 by DLA Piper (Canada) LLP, on behalf of the Corporation, and by Dickinson Wright LLP, on behalf of the Underwriters. In connection with the Offering, and subject to applicable laws, the Underwriters may overallocate or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without prior notice. Closing of the Offering is expected to take place on or about August 25, 2021 or such other date as may be agreed upon by the Corporation and the Lead Underwriter, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus (the "**Closing Date**").

It is anticipated that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of the Units will receive only a customer confirmation from the registered dealer from or through which such Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold such Units on behalf of owners who have purchased such Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

An investment in the Units is highly speculative and involves significant risks. The risk factors outlined or incorporated by reference in this Prospectus should be carefully reviewed and considered by prospective purchasers in connection with their investment in the Units. See "*Special Note Regarding Forward Looking Information*" and "*Risk Factors*" in this Prospectus and in the AIF (as defined herein) which is available under the Corporation's issuer profile on SEDAR at www.sedar.com. Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess the income tax, legal and other aspects of the Offering.

Investors should rely only on the information contained in or incorporated by reference into this Prospectus. Neither the Corporation nor the Underwriters have authorized anyone to provide investors with different information. Neither the Corporation nor any Underwriter is making an offer to sell or seeking offers to buy the Units in any jurisdiction where the offer or sale of Units is not permitted. You should not assume that the information contained or incorporated by reference in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus or the respective dates of the documents incorporated by reference herein. 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.

Information contained on the Corporation's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective investors for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.

Julien Mueller, the Chief Technology Officer of the Corporation and Guido Cloetens, a director of the Corporation, reside outside of Canada and each of the aforementioned individuals has appointed DLA Piper (Canada) LLP, Suite 1000, 250 2nd Street SW, Calgary, AB, T2P 0C1, as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

(iv)

Unless otherwise indicated, all references to "\$", "C\$" or "dollars" in this Prospectus refer to Canadian dollars and all references to "US\$" in this Prospectus refer to United States dollars. See "*Currency Presentation*".

The Corporation's registered and records office is located at Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, T2P 0C1. Its head office is located at Bay 1, 4600 5th Street NE, Calgary, Alberta T2E 7C3.

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ABOUT THIS PROSPECTUS

In this Prospectus, unless the context otherwise requires, all references to "we", "our", "us" "Nanalysis" or to the "Corporation" includes Nanalysis Scientific Corp. and its predecessors, divisions and subsidiaries.

You should rely only on the information contained in or incorporated by reference in this Prospectus in connection with an investment in the Units. We have not authorized anyone to provide you with different information. We are not making an offer of the Units in any jurisdiction where such offer is not permitted. You should assume that the information appearing in this Prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference herein or therein is accurate only as of the date of that document unless specified otherwise. Our business, financial condition, financial performance and prospects may have changed since those dates.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus, and in certain documents incorporated by reference into this Prospectus, constitute forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus should not be unduly relied upon. These forward-looking statements speak only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference into this Prospectus, as the case may be.

In particular, this Prospectus, and the documents incorporated by reference, contain forward-looking statements pertaining to the following:

- the Offering;
- the Closing Date and the intended use of proceeds of the Offering;
- the Concurrent Private Placement (see "*Plan of Distribution - Concurrent Private Placement*");
- obtaining of all required regulatory approvals in connection with the Offering;
- the market and cash position, and future financial or operating performance of the Corporation;
- estimated EBITDA;
- expectations regarding its business, financial condition and results of operations;
- the future state of the legislative and regulatory regimes, both domestic and foreign, in which the Corporation conducts business and may conduct business in the future;
- expansion in domestic and international markets;
- ability to attract customers and clients;
- marketing and business plans and short term objectives;
- ability to obtain and retain the licences and personnel it requires to undertake its business;
- strategic relationships with third parties;
- anticipated trends and challenges in the markets in which it operates; and
- the general economic, financial market, regulatory and political conditions in which the Corporation operates.

Although the forward-looking statements contained in this Prospectus are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this Prospectus, the Corporation has made assumptions regarding, but not limited to:

- anticipated costs and the Corporation's ability to fund its programs;
- the Concurrent Private Placement;
- the legislative and regulatory environment;
- the impact of increasing competition;
- that general business and economic conditions will not change in a materially adverse manner;
- the Corporation's ability to attract and retain skilled staff;
- the Corporation's ability to operate in a safe, efficient and effective manner; and
- the Corporation's ability to obtain financing as and when required and on reasonable terms.

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth herein and in the documents incorporated by reference, including but not limited to:

- risks related to the Corporation's discretion in the use of net proceeds from the Offering;
- risks related to the completion of the Concurrent Private Placement on the terms and conditions described in this Prospectus or at all;
- risks related to the Corporation's discretion in the use of net proceeds from the Offering and the Concurrent Private Placement;
- forward-looking statements may prove to be inaccurate;
- volatility in the market price of the Corporation's Common Shares;
- future sales or issuances of securities and dilution of Common Shares;
- inability to obtain additional financing on acceptable terms or at all;
- history of negative cash flow;
- risks related to the Corporation's potential need for additional financing;
- failure to obtain required regulatory and stock exchange approvals with respect to the Offering and Concurrent Private Placement;
- limited operating history of the Corporation;
- management of growth and failure to realize growth strategy;
- failure to complete transactions or realize anticipated benefits;
- industry competition;
- changes in demand for the Corporation's products;
- fluctuating prices of raw materials;
- product recalls and product liability;
- expansion to other jurisdictions;
- risks related to international activities;
- damage to the Corporation's reputation;
- ownership and protection of intellectual property;
- constraints on marketing products;
- wholesale pricing for products;
- ability to supply sufficient product;
- regulatory compliance;
- changes in laws, regulations and guidelines;
- anti-money laundering laws and regulations;
- environmental, health and safety laws;
- breaches of security at the Corporation's facilities or in respect of electronic documents and data storage and risks related to breaches of applicable privacy laws;
- regulatory or agency proceedings, investigations and audits;
- litigation risk;
- operating risk and insurance coverage;

- negative operating cash flow;
- banking matters;
- ability to access public and private capital and banking services;
- future capital requirements;
- reliance on key personnel and management;
- fraudulent or illegal activity by the Corporation's employees, contractors and consultants;
- certain events may be outside of the control of the Corporation;
- conflicts of interest of the Corporation's directors and officers;
- impacts of the COVID-19 pandemic to the Corporation's business;
- shipping products outside of Canada and approvals required for exporting;
- reliance on business partners;
- risks relating to the ownership of the Corporation's shares such as potential volatility of share price;
- no assurance of active market for the Corporation's shares; and
- other factors, many of which are beyond the control of the Corporation, some of which are discussed under "*Risk Factors*" in this Prospectus, as well as in the AIF (as defined herein).

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

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this Prospectus in order to provide readers with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Corporation will derive therefrom.

Readers are therefore cautioned that the foregoing list of important factors is not exhaustive and they should not unduly rely on the forward-looking statements included in this Prospectus or any documents incorporated by reference. These forward-looking statements are made as of the date of this Prospectus and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. All forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by the Corporation with Canadian provincial securities commissions available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

CURRENCY PRESENTATION

In this Prospectus, all financial information herein has been presented in Canadian dollars unless otherwise noted. "\$" means Canadian dollars and "US\$" means United States dollars. On August 16, 2021, the rate of exchange of the Canadian dollar, expressed in United States dollars, based on the closing rate as quoted by the Bank of Canada, was Canadian \$1.00 = US\$0.7956.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in British Columbia, Alberta, and Ontario (collectively, the "Commissions"). Copies of the documents incorporated herein by reference may be obtained on request without

charge from the Chief Financial Officer of the Corporation, at Bay 1, 4600 - 5th Street NE, Calgary, AB T2E 7C38, Telephone (403) 831-6968, and are also available electronically on SEDAR at www.sedar.com.

The following documents of the Corporation are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form (the "**AIF**") of Nanalysis dated April 27, 2021 for the year ended December 31, 2020;
- (b) the audited annual consolidated financial statements of Nanalysis for the years ended December 31, 2020 and December 31, 2019, together with the notes thereto and the auditors' report thereon;
- (c) the management's discussion and analysis of the financial condition and results of operation of Nanalysis for the year ended December 31, 2020;
- (d) the unaudited condensed interim consolidated financial statements of Nanalysis as at March 31, 2021 and for the three months ended March 31, 2021 and 2020, together with the notes thereto (the "**Interim Financial Statements**");
- (e) management's discussion and analysis of the financial condition and results of operations of Nanalysis for the three months ended March 31, 2021 (the "**Q1 MD&A**");
- (f) the management information circular of Nanalysis dated May 31, 2021 in respect of the annual general and special meeting of shareholders of the Corporation held on June 29, 2021, and filed on SEDAR on May 19, 2021;
- (g) the news release of Nanalysis dated July 13, 2021;
- (h) the template version of the standard term sheet dated July 29, 2021 in connection with the Offering (the "**Marketing Materials**"); and
- (i) the material change report of Nanalysis dated and filed on August 6, 2021 in respect of the \$8,000,000 bought deal public offering and concurrent private placement of up to \$5,000,000.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus including any material change reports (excluding confidential reports), interim financial statements, annual financial statements and the auditors' report thereon, management's discussion of financial conditions and results of operations, information circulars, annual information forms and business acquisition reports filed by the Corporation with the Commissions, subsequent to the date of this Prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this Prospectus.

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

MARKETING MATERIALS

The Marketing Materials do not form part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any "template version" of "marketing materials" (as defined in National Instrument 41-101 — *General Prospectus Requirements*) filed after the date of this Prospectus and 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 in this Prospectus.

MARKET AND INDUSTRY DATA

Certain information in this Prospectus or in documents incorporated by reference herein is obtained from third party sources (including industry publications surveys and forecasts), including public sources, as well as, and management studies and estimates. There can be no assurance as to the accuracy or completeness of such information.

Unless otherwise indicated, the Corporation's estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from its internal research, and include assumptions made by the Corporation which it believes to be reasonable based on its knowledge of the industry and markets in which it operates. Although the Corporation believes these sources to be generally reliable, market and industry data are 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 statistical survey. Although believed to be reliable, management of the Corporation has not independently verified any of the data from third party sources unless otherwise stated.

While the Corporation believes the market position, market opportunity, and market share information included in this Prospectus are generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of the future performance of the Corporation and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "*Special Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

TRADEMARKS AND TRADE NAMES

The Corporation uses various trademarks, trade names and design marks in its business. This Prospectus may also contain trademarks and trade names of other businesses that are the property of their respective holders. The Corporation does not intend for its use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of it by, those other companies.

NON-GAAP FINANCIAL MEASURES

In addition to using financial measures prescribed by International Financial Reporting Standards ("**IFRS**"), references are made in this prospectus or the documents incorporated by reference herein to "EBITDA", which is a measure that does not have any standardized meaning as prescribed by IFRS. Accordingly, the Corporation's use of such term may not be comparable to similarly defined measures presented by other entities. "EBITDA" is defined as net income before finance costs, taxes and depreciation.

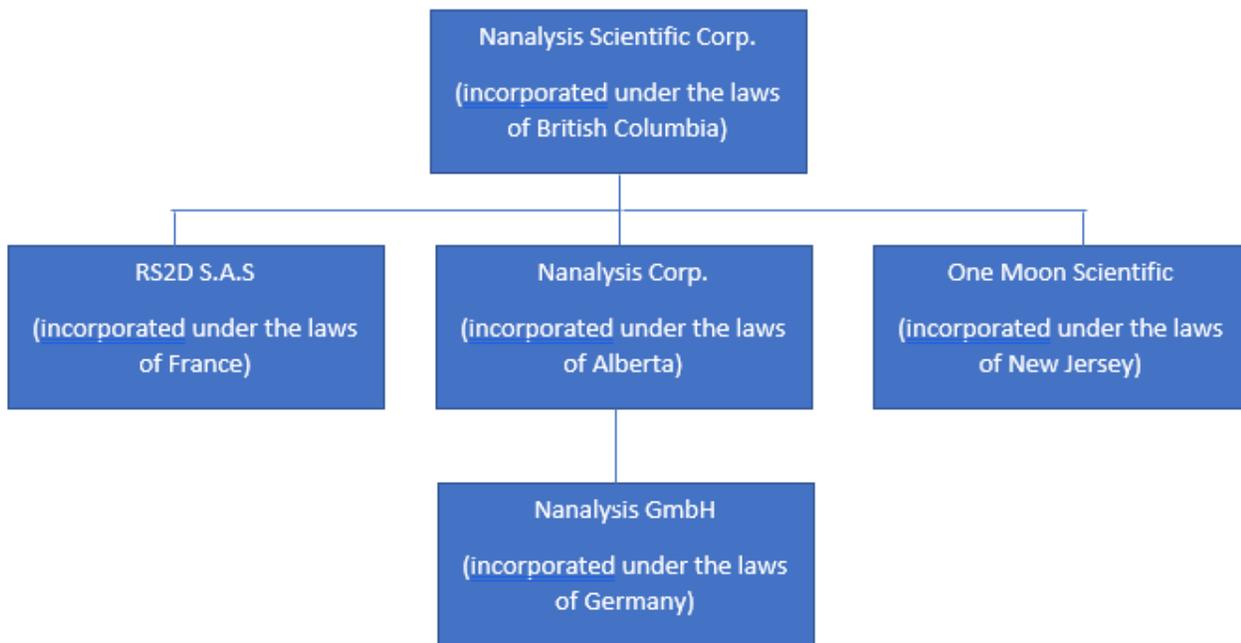
Management uses this term for its own performance measures and to provide shareholders and potential investors with a measurement of the Corporation's efficiency and its ability to generate the cash necessary to fund a portion of its future growth expenditures or to repay debt. Accordingly, investors are cautioned that the non-GAAP financial measure may not be comparable to similarly defined measures presented by other entities and should not be considered in isolation nor as an alternative to net income (loss) or other financial information determined in accordance with IFRS as an indication of the Corporation's performance.

See also "*Special Note Regarding Forward-Looking Statements*".

NANALYSIS SCIENTIFIC CORP.

The Corporation's full name is "Nanalysis Scientific Corp.". The Corporation was incorporated as Canvass Ventures Ltd. under the *Business Corporations Act* (British Columbia) ("**BCBCA**") on February 27, 2017. On March 1, 2019, the Corporation's wholly owned subsidiary, 2176406 Alberta Ltd., and Nanalysis Corp. amalgamated to complete an arm's length qualifying transaction in accordance with the policies of the TSXV. As a result of the Amalgamation, the amalgamated corporation, named Nanalysis Corp., became a wholly-owned subsidiary of the Corporation. The Corporation changed its name to "Nanalysis Scientific Corp." on June 4, 2019.

The following chart sets forth the Corporation's relationship with each subsidiary and their respective jurisdictions of incorporation as at the date hereof:



The Corporation's registered and records office is located at Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, T2P 0C1. Its head office is located at Bay 1, 4600 5th Street NE, Calgary, Alberta T2E 7C3.

The Corporation is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario. The Common Shares are listed and posted for trading on the TSXV under the trading symbol "NSCI".

SUMMARY DESCRIPTION OF THE BUSINESS

The Corporation performs product development and manufacturing in its Calgary and Strasbourg facilities. The Corporation is focused on the proliferation of magnetic resonance ("MR") technology into industrial, research and teaching markets through the release of accessible, affordable and automatable MR systems. By focusing on innovation in both method development and magnet and electronic design, the Corporation's product line addresses unmet needs of customers in a variety of applications, including mining, oil and gas, cannabis etc. The Corporation has a focused, direct sales force in the United States, Germany, France and Canada and works through a distribution channel of distributors and dealers in other geographical areas to ensure penetration of the current market in a simultaneously.

The Corporation's activities are carried out through three reportable segments: Nanalysis Corp., RS2D and Corporate. The Corporation recently acquired OMS (as defined below) and, following the acquisition, OMS will be included in the Nanalysis Corp. segment.

1. *Nanalysis Corp.*: a subsidiary of the Corporation was founded in 2009 with the specific intent of developing the world's first portable MR spectrometer to address the three main limitations of this powerful magnetic resonance technique – affordability, accessibility and automatability. After approximately four years of development, Nanalysis Corp. began shipping their first commercial product in 2012. Since this time Nanalysis Corp. has expanded the functionality of this platform and launched the highest performing instrument available in the market to address the industrial market demands for increased performance metrics. Nanalysis Corp. is a provider of cutting edge, patent-protected MR technology to facilitate simple and rapid unknown chemical identification, quantification and diagnostics in a number of end markets including pharmaceutical, biotechnology, chemical, security, food, oil & gas and educational industries. Customers include Eli Lilly, Johnson & Johnson, Takeda Pharmaceutical, BASF, Hitachi Chemical, US Department of Agriculture, Lubrizol, Aramco Services, SABIC, Oxford University, Harvard University and many other Fortune 500 organizations. In 2018 the Corporation incorporated a wholly owned subsidiary in Germany, at which it conducts direct sales, marketing, technical support and channel management activities in the European region. The Corporation plans to open other international subsidiaries in upcoming years that will conduct similar activities in strategic geographical regions.
2. *RS2D S.A.S. ("RS2D")*: In March 2020, the Corporation acquired all outstanding shares of RS2D, a complementary technology company based in Strasbourg France that specializes in the development of cutting-edge MR electronics. Based on a single electronic board, RS2D has developed MR product lines in high-field NMR and magnetic resonance imaging that can further advance Nanalysis' existing product line, while rounding out the Corporation's magnetic resonance technology portfolio.
3. *One Moon Scientific ("OMS")*: In July 2021, the Corporation acquired all outstanding shares of OMS, a New York based magnetic resonance software company. OMS specializes in a suite of software tools to streamline and automate Magnetic Resonance ("MR") data analysis and management. This acquisition opens up new industry verticals for hardware sales and allows for software licensing and SAAS revenue.
4. *Corporate*: This segment is the corporate entity of the company; included in Corporate is executive, legal, and other administrative costs.

While the Corporation has its own simple data acquisition and processing software, many of the Corporation's customers also used advanced third party software for data processing. The Corporation acquired OMS in part to mitigate the risk of not having advanced data processing software in-house that is offered by third party companies.

The Corporation is selectively seeking strategic acquisitions and commercial partnerships, and is in various stages of review of certain potential acquisition and joint venture, investment or other commercial partnership opportunities. There can be no assurance that any of these opportunities will result in acquisitions or joint ventures, investments or other commercial partnerships or, if they do, what the final terms or timing of such acquisitions or joint ventures, investments or other commercial partnerships would be.

Further details concerning the Corporation, including information with respect to the Corporation's assets, operations and development history, are provided in the AIF and the other documents incorporated by reference into this Prospectus. Readers are encouraged to review these documents as they contain important information about the Corporation.

RECENT DEVELOPMENTS

On January 5, 2021, the Corporation announced it had shipped the first 100 MHz product to customers during December 2020. The sales backlog of this product was 22 units as at May 19, 2021.

On December 18, 2020, the Corporation signed multi-million-dollar original equipment manufacturer ("**OEM**") deal with a European company, under which the Corporation received on January 11, 2021 an initial payment of \$876,000, and is expected to receive milestone payments totaling approximately \$2 million over the next three years. The Corporation also expects to generate revenue through OEM sales in subsequent years.

On July 6, 2021, the Corporation announced that it had engaged North Equities, Stonegate Capital Partners, and Peterson Capital in order to raise awareness of the Corporation's story with a broader audience across North America.

On July 13, 2021, the Corporation pre-announced Q2 revenue. Quarterly preliminary revenue was \$4.4 million in Q2 of 2021, a 120% increase over Q2 2020.

On July 21, 2021, the Corporation announced that it had entered into a share purchase agreement to acquire 100% of OMS, a New York based magnetic resonance software company. The base consideration paid for OMS was US\$625,000, of which US\$275,000 was paid in cash and US\$350,000 was paid through the issuance of four convertible promissory notes. The promissory notes are convertible at the option of Nanalysis to repay the indebtedness owing under the notes by: (i) cash, or (ii) common shares in the capital of Nanalysis. The seller of OMS may also receive an earn-out up to a maximum of US\$390,000 over three years to December 31, 2024, based on future revenue growth objectives. The acquisition closed on July 28, 2021.

CONSOLIDATED CAPITALIZATION

The following table summarizes the Corporation's capitalization as at March 31, 2021 (the date of the consolidated financial statements for its most recently completed interim consolidated financial period incorporated in this Prospectus) and after giving effect to the Offering and the Concurrent Private Placement. This table should be read in conjunction with the Interim Financial Statements and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

Description	Outstanding as at March 31, 2021	Outstanding as at the date of this Prospectus	Outstanding as at the date of this Prospectus after giving effect to the Offering	Outstanding as at the date of this Prospectus after giving effect to the Offering and the exercise of the Over-Allotment Option in full	Outstanding as at the date of this Prospectus after giving effect to the Offering, the Concurrent Private Placement and the exercise of the Over-Allotment Option in full ⁽³⁾
Common Shares ⁽¹⁾	66,658,280	67,640,393	74,307,093	75,307,099	79,473,765
Stock Options ⁽²⁾	5,252,250	4,854,751	4,854,751	4,854,751	4,854,751
Restricted Share Units ⁽²⁾	280,000	280,000	280,000	280,000	280,000
Warrants	1,250,000	Nil	3,333,350	3,833,353	5,916,686
Broker Warrants	Nil	Nil	466,669	536,669	536,669
Loan capital	\$3,957,000	\$4,104,000	\$4,104,000	\$4,104,000	\$4,104,000

Notes:

- (1) The Corporation is authorized to issue an unlimited number of Common Shares.
- (2) A maximum of 1,000,000 Common Shares are reserved for issuance pursuant to restricted share units under the Corporation's restricted share unit plan. The aggregate number of Common Shares that may be reserved for issuance under the Corporation's stock option plan, along with any Common Shares reserved for issuance under the restricted share unit plan, shall not exceed 10% of the Corporation's issued and outstanding Common Shares.

- (3) Assuming completion of the full Concurrent Private Placement, being the issuance of 4,166,666 Units for aggregate gross proceeds of \$4,999,999.20.

USE OF PROCEEDS

The expected net proceeds to the Corporation from the Offering (assuming no exercise of the Over-Allotment Option) are estimated to be \$7,090,037.20, after deducting the Underwriters' Fee of \$560,002.80 and deducting the expenses of the Offering (estimated to be approximately \$350,000). The Corporation intends to use the net proceeds of the Offering for the purposes outlined below.

If the Over-Allotment Option is exercised in full, the net proceeds to the Corporation from the Offering are estimated to be \$8,206,043.90, after deducting the Underwriters' Fee of \$644,003.30 and deducting the expenses of the Offering (estimated to be approximately \$350,000).

Together, total combined net proceeds to the Corporation from the Offering (assuming the Over-Allotment is exercised in full) and the Concurrent Private Placement (if completed in full for aggregate gross proceeds of \$4,999,999.20) are expected to be approximately \$13,556,043.10 (after deducting the Underwriters' Fee but before deducting any expenses associated with the Offering and Concurrent Private Placement).

The net proceeds from the exercise of the Over-Allotment Option and Concurrent Private Placement, if any, are expected to be used for general corporate and other working capital purposes, as well as additional potential acquisitions.

Principal Purposes

The Corporation currently anticipates using the estimated net proceeds from the Offering (assuming no exercise of the Over-Allotment Option and no Concurrent Private Placement) as set forth in the following table:

Principal Purpose	Estimated Allocation of Net Proceeds (\$)
Expenses relating to the Offering (Underwriters' Fee and estimated Offering expenses)	910,003
Sales and marketing	250,000
Research and development	500,000
Potential acquisitions	4,000,000
Working capital	1,050,037
Working capital for future acquisitions	440,000
Capital equipment	400,000
Procedure de sauvegarde - debt negotiation ⁽¹⁾	450,000
Total use of gross proceeds⁽²⁾	8,000,040

Note:

- (1) The Corporation is required to repay debt relating to a restructuring of RS2D in the total aggregate amount of approximately C\$782,686. The Corporation intends to use a portion of the net proceeds to make a settlement offer to all unsecured creditors pursuant to the RS2D restructuring.
- (2) Assuming no exercise of the Over-Allotment Option or closing of the Concurrent Private Placement.

If the Over-Allotment Option is exercised in full, the Corporation will receive additional net proceeds of \$1,116,005.58, after deducting the applicable Underwriters' Fee. Any additional proceeds received pursuant to the exercise of the Over-Allotment Option will be used for general corporate and other working capital purposes, as will any proceeds received from the exercise of the Broker Warrants.

During the fiscal year ended December 31, 2020, the Corporation had negative cash flow from operating activities. To the extent that the Corporation has negative operating cash flows in future periods, the Corporation may need

to deploy a portion of its existing working capital to fund such negative cash flow. As at March 31, 2021, the Corporation had cash and cash equivalents on hand of approximately \$4,660,000. See "*Risk Factors*".

The above-noted allocation represents the Corporation's intention with respect to its use of proceeds based on current knowledge and planning by management of the Corporation. Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, the Corporation reallocates the use of proceeds. See "*Risk Factors – The Corporation has discretion in its use of the proceeds from the Offering*".

Business Objectives and Milestones

The Corporation's primary business objective it expects to accomplish with the net proceeds of the Offering is focused on the proliferation of magnetic resonance technology into industrial, research and teaching markets through the release of accessible, affordable and automatable MR systems. This will be achieved both organically and through strategic acquisitions.

This Corporation's business objective will be accomplished through a number of milestones:

- A substantial portion of the proceeds of the Offering are to be used for the completion of acquisition(s) within the magnetic resonance technology space. The goal being to diversify the Corporation's current product offerings and enhance its current technology suite. Subject to identifying appropriate opportunities, the Corporation plans to complete these acquisition(s) over the next 12 months, with an expected cash component of \$4.0 million.
- The Corporation plans to continue existing collaboration partnerships and create new collaboration partnerships to further expand its product offerings into new industrial verticals. These collaborations will continue for the next three to five years, with no expectation of the Corporation discontinuing this practice in the future. Expected outflow of capital will be covered in the \$1.05 million allotment to working capital.
- The Corporation will continue to conduct research and development in the magnetic resonance platform, which will include the creation of new products to solve problems the Corporation's customers have in both the industrial, research and teaching markets. The Corporation has allocated \$500,000 in proceeds as additional funding above the Corporation's current R&D requirements for this milestone. These funds will supplement the Corporation's research and development activities over the next 18 months and help expedite product releases.

PLAN OF DISTRIBUTION

Pursuant to the terms and conditions contained in the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have severally, and not jointly (or jointly and severally), agreed to purchase on the Closing Date or on such other date as may be agreed upon by the parties, subject to compliance with the terms and conditions of the Underwriting Agreement, as principal on a "bought deal" basis, 6,666,700 Units at a price of \$1.20 per Unit for aggregate gross proceeds of \$8,000,040 and up to 1,000,006 Additional Units at a price of \$1.20 per Additional Unit for additional gross proceeds of up to \$1,200,007.20, should the Over-Allotment Option be exercised in full. The obligations of the Underwriters under the Underwriting Agreement will be conditional and may be terminated in their sole discretion on the basis of the "due diligence out", "material adverse change out", "disaster out", "regulatory proceedings out" and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Offering Price was determined based upon arm's length negotiations between the Corporation and the Lead Underwriter, on behalf of the Underwriters.

The Underwriters have reserved the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers or investment dealers.

The Underwriters have been granted the Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriters, until the Over-Allotment Deadline to cover the Underwriters' over allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to acquire: (i) up to

1,000,006 Additional Units at the Offering Price; (ii) up to 1,000,006 Additional Shares at a price of \$1.164 per Additional Share, (iii) up to 500,003 Additional Warrants at a price of \$0.072 per Additional Warrant, or (iv) any combination of the Additional Units, the Additional Shares, and the Additional Warrants, provided that (A) the aggregate number of Additional Units does not exceed 1,000,006, (B) the aggregate number of Additional Shares does not exceed to 1,000,006, and (C) the aggregate number of Additional Warrants does not exceed 500,003. The Over-Allotment Option is exercisable by the Underwriters by giving notice to the Corporation prior to the Over-Allotment Deadline, which notice shall specify the number of Additional Units, Additional Shares and/or Additional Warrants to be purchased. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, Additional Shares and Additional Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Underwriters' over-allocation position acquires those Additional Units, Additional Shares and/or Additional Warrants 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. A purchaser who acquires the Units (including any Additional Units) acquires those securities 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.

Pursuant to the Underwriting Agreement, the Underwriters will receive an Underwriters' Fee of 7.0% of the gross proceeds of the Offering. The Corporation has also agreed to reimburse the Underwriters for certain expenses related to the Offering. In addition, the Corporation has agreed to issue Broker Warrants to the Underwriters equal to 7.0% of the Units sold in the Offering (including the Over-Allotment Option) (subject to a reduction in the number of Broker Warrants to be issued in respect of President's List subscribers equal to 3.5% of the Units sold to President's List subscribers). Each Broker Warrant entitles the holder thereof to acquire one Broker Warrant Share at the Warrant Exercise Price for a period of 24 months following the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants to the Underwriters. There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Underwriters in accordance with the terms of the Underwriting Agreement. No fee is payable to the Underwriters in respect of the proceeds from the Concurrent Private Placement.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint nor joint and several), and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement.

Pursuant to the terms of the Underwriting Agreement, the Corporation has also agreed to indemnify the Underwriters and their respective affiliates and their respective directors, officers, employees, partners, underwriters, successors and assigns and controlling persons against, certain liabilities and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

The Offering is being made in British Columbia, Alberta, and Ontario. The Units will be offered in each such jurisdiction through those Underwriters or their affiliates who are registered to offer the Units for sale in such jurisdiction and such other registered dealers as may be designated by the Underwriters. The Units may also be offered and sold in the United States in a private placement. Subject to applicable law, the Underwriters may offer the Units in such other jurisdictions outside of Canada and the United States.

The TSXV has conditionally approved the listing of (i) the Unit Shares, (ii) the Warrant Shares, (iii) the Additional Shares, and (iv) the Common Shares issuable on the exercise of the Additional Warrants, on the TSXV. Listing is subject to the Corporation fulfilling all listing requirements of the TSXV.

Pursuant to the Underwriting Agreement, the Corporation will agree not to, without the prior consent of the Lead Underwriter, such consent not to be unreasonably withheld, authorize, issue or sell Common Shares or any securities convertible into or exchangeable for Common Shares or other equity securities of the Corporation, or agree or publicly announce any intention to do any of the foregoing, other than: (i) as contemplated in the Underwriting Agreement or in connection with the Concurrent Private Placement; (ii) pursuant to the exchange, transfer, conversion or exercise rights of existing securities of the Corporation; (iii) the issuance of stock options

pursuant to the Corporation's stock option plan; (iv) the issuance of deferred units under the Corporation's deferred share unit plan (if any); (v) existing commitments to issue securities; and (vi) pursuant to an arm's length acquisition by the Corporation (including an acquisition of assets or intellectual property), for a period of 120 days following the Closing Date. In addition, and subject to certain exceptions, all senior officers and directors of the Corporation shall agree, prior to the Closing Date, not to sell, transfer or pledge, or otherwise dispose of, any securities of the Corporation for a period of 120 days from the Closing Date without the prior written consent of the Underwriters, which consent will not be unreasonably withheld or delayed.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions including: (i) 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; (ii) 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 (iii) 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 Underwriters propose to offer the Units initially at the Offering Price specified above. After a reasonable effort has been made to sell all of the Units at the Offering Price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will have the effect of reducing the compensation realized by the Underwriters by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Corporation and will not affect the proceeds received by the Corporation.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about August 25, 2021 or such other date as may be agreed upon by the Corporation and the Lead Underwriter, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus. Except as otherwise provided below, it is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required.

Any Units offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly the Units may not be offered or sold in the United States (if at all) or for the account or benefit of, persons within the United States or U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriters have agreed that they will not offer or sell any of the Units to, or for the account or benefit of, persons within the United States or U.S. Persons. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units offered under the Offering in the United States.

Concurrent Private Placement

The Corporation intends to complete a non-brokered private placement (expected to close concurrently with the Offering on or about August 25, 2021) of up to 4,166,666 Units at a price of \$1.20 per Unit for gross proceeds of up to \$4,999,999.20 (the "**Concurrent Private Placement**"). Closing of the Concurrent Private Placement is subject to the approval of the TSXV. No commission or other fee will be paid to the Underwriters in connection with the sale of Units pursuant to the Concurrent Private Placement. The Corporation may pay finder's fees in connection with the Concurrent Private Placement in amounts up to 5% cash.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Units

Each Unit will be comprised of one Unit Share (being a Common Share forming a part of each Unit) and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances in accordance with the terms of the Warrant Indenture, one Warrant Share, at an exercise price of \$1.70 until the date that is 24 months following the Closing Date. The Units will separate into Unit Shares and Warrants immediately upon issue.

Unit Shares

The Unit Shares will have all of the characteristics, rights and restrictions of the Common Shares. The Corporation is authorized to issue an unlimited number of Common Shares without par value. Each Common Share carries the right to attend and vote at all general meetings of shareholders of the Corporation. As at March 31, 2021, there were 66,658,280 Common Shares issued and outstanding, and as at the date of this Prospectus, there were 67,640,393 Common Shares issued and outstanding, in each case on a non-diluted basis.

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation and to attend and cast one (1) vote per Common Share at all such meetings. Holders of Common Shares are entitled to receive dividends if, as and when declared by the Corporation's board of directors at its discretion from funds legally available for the payment of dividends. Upon the liquidation, dissolution or winding up of the Corporation, the holders of Common Shares are entitled to participate on a pro rata basis in any distribution of the remaining property or assets of the Corporation, subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares of the Corporation ranking senior in priority to, or on a pro rata basis with, the Common Shares. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase rights, nor do they contain any sinking fund or purchase fund provisions. There are no provisions requiring a holder of Common Shares to contribute additional capital, and there are no restrictions on the issuance of additional Common Shares by the Corporation.

Warrants

The Warrants will be issued under, and be governed by, the terms of the Warrant Indenture. The following summary of the material provisions of the Warrants to be issued pursuant to the Offering and certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject to and is qualified in its entirety by reference to the detailed provisions of the Warrant Indenture. Promptly following execution thereof, a copy of the Warrant Indenture will be made available electronically under the Corporation's issuer profile on SEDAR at www.sedar.com, and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each whole Warrant will entitle the holder to purchase one Warrant Share at a price of \$1.70. The exercise price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. Each Warrant will be exercisable at any time prior to 5:00 p.m. (Calgary time) on the date that is 24 months following the Closing Date, after which time the Warrants will expire and become null and void.

The Warrant Indenture is expected to provide for adjustment to the exercise price of the Warrants and/or to the number or kind of securities issuable upon the exercise of the Warrants upon the occurrence of certain events, including:

- (a) a subdivision of the Common Shares into a greater number of Common Shares or a consolidation of the Common Shares into a lesser number of Common Shares;
- (b) the issuance of Common Shares or securities exchangeable or convertible into Common Shares to all or substantially all the holders of Common Shares by way of a stock dividend or other distribution;

- (c) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Common Shares on such record date; and/or
- (d) subject to certain exceptions, a distribution by the Corporation to all or substantially all the holders of the Common Shares, of securities of any class (whether of the Corporation or any other corporation) other than Common Shares, rights, options or warrants, evidences of indebtedness, or cash, securities, or other property or assets.

The Warrant Indenture is also expected to provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or the exercise price per security in the event of the following additional events:

- (a) a reclassification of the Common Shares;
- (b) the amalgamation, plan of arrangement or merger of the Corporation with or into another entity (other than an amalgamation, plan of arrangement or merger which does not result in any reclassification of the Common Shares or a change of the Common Shares into other shares); and/or
- (c) a transfer (other than to one of the Corporation's subsidiaries) of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least one percent (1%) in the exercise price or the number of Warrant Shares purchasable upon exercise by at least one-one hundredth (1/100th) of a Common Share, as the case may be.

The Corporation also expects to covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Corporation will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant, and no cash or other consideration will be paid in lieu thereof. Holders of Warrants will not have any voting rights or pre-emptive rights or any other rights, which a holder of Common Shares would have.

From time to time, the Corporation and the Warrant Agent may, without the consent of or notice to the holders of Warrants, amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is expected to be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are present in person or represented by proxy, registered holders of Warrants representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of not less than 66 $\frac{2}{3}$ % of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act, and the Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The foregoing summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which will be made available electronically under the Corporation's issuer profile on SEDAR at www.sedar.com promptly following execution thereof.

Broker Warrants

As additional consideration for the services rendered in connection with the Offering, the Corporation has agreed to issue to the Underwriters' such number of Broker Warrants as is equal to 7.0% of the aggregate number of Units sold under the Offering (including any Additional Units) (subject to a reduction in the number of Broker Warrants to be issued in respect of President's List subscribers equal to 3.5% of the Units sold to President's List subscribers). Each Broker Warrant entitles the holder thereof to acquire one Broker Warrant Share at the Warrant Exercise Price for a period of 24 months following the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants to the Underwriters.

The certificate representing the Broker Warrants will provide for standard adjustments in the number of Common Shares issuable upon the exercise of the Broker Warrants and/or the exercise price per Broker Warrant upon the occurrence of certain events, including:

- (a) a subdivision of the Common Shares into a greater number of Common Shares or a consolidation of the Common Shares into a lesser number of Common Shares;
- (b) the issuance of Common Shares or securities exchangeable or convertible into Common Shares to all or substantially all the holders of Common Shares by way of a stock dividend or other distribution;
- (c) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price" of the Common Shares on such record date; and/or
- (d) subject to certain exceptions, a distribution by the Corporation to all or substantially all the holders of the Common Shares, of securities of any class (whether of the Corporation or any other corporation) other than Common Shares, rights, options or warrants, evidences of indebtedness, or cash, securities, or other property or assets.

The Broker Warrants are non-transferable and will not be listed or quoted on any securities exchange. The holders of the Broker Warrants will not have any voting right or any other rights which a holder of Common Share would have.

The Broker Warrants and the Broker Warrant Shares issuable upon exercise of the Broker Warrants have not been and will not be registered under the U.S. Securities Act, and the Broker Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Dividends

The Corporation's current dividend or distribution policy is to retain any earnings and other cash resources for the operation and development of the Corporation's business. Any decision to pay dividends on Common Shares in the future will be made by the board of directors of the Corporation on the basis of the earnings, financial requirements and other conditions existing at such time.

PRIOR SALES

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12 month period prior to the date hereof.

Description of Security	Date Issued	Number of Securities Issued	Issuance/Exercise Price Per Security (\$)	Reason for Issuance
Stock Options	February 25, 2021	1,048,000	0.60	(1)
Restricted Share Units	February 25, 2021	40,000	N/A	(2)
Common shares	March 1, 2021	40,000	N/A	(4)
Common shares	March 12, 2021	137,500	0.18	(3)
Common shares	March 12, 2021	275,000	0.18	(3)
Common shares	March 12, 2021	27,500	0.18	(3)
Common shares	March 16, 2021	110,000	0.18	(3)
Common shares	March 31, 2021	33,000	0.36	(3)
Restricted Share Units	March 24, 2021	120,000	N/A	(2)
Stock Options	March 25, 2021	100,000	0.60	(1)
Common shares	May 12, 2021	8,250	0.42	(3)
Common shares	May 12, 2021	479,364	0.47	(5)
Common shares	June 10, 2021	68,750	0.22	(3)
Common shares	June 21, 2021	2,500	0.45	(3)
Common shares	June 21, 2021	55,000	0.45	(3)
Common shares	June 21, 2021	150,000	0.60	(3)
Common shares	June 25, 2021	2,500	0.45	(3)
Common shares	June 25, 2021	833	0.60	(3)
Common shares	June 25, 2021	833	0.60	(3)
Common shares	June 30, 2021	75,000	0.60	(3)
Common shares	June 30, 2021	833	0.60	(3)
Restricted Share Units	July 5, 2021	40,000	N/A	(2)
Common shares	July 5, 2021	27,500	0.45	(3)
Stock Options	July 5, 2021	100,000	1.30	(1)
Common shares	July 7, 2021	40,000	N/A	(4)
Common shares	July 8, 2021	7,500	0.45	(3)
Common shares	July 12, 2021	8,250	0.42	(3)
Common shares	July 20, 2021	55,000	0.45	(3)

Notes:

- (1) Issued pursuant to the Corporation's stock option plan.
- (2) Issued pursuant to the Corporation's restricted share unit plan.
- (3) Issued pursuant to the exercise of stock options.
- (4) Issued pursuant to the settlement of restricted shares units.
- (5) Issued pursuant to RS2D SPA for earn-out consideration.

TRADING PRICE AND VOLUME

Common Shares

The Common Shares are listed and posted for trading on the TSXV under the symbol "NSCI". The following table sets out the price range (monthly high and low closing prices) of the Common Shares and consolidated volumes traded on the TSXV for the periods indicated (as reported by the TSXV).

Period	High (\$)	Low (\$)	Volume
2020			
January	0.60	0.49	3,206,463
February	0.78	0.60	3,115,450
March	0.79	0.405	2,775,055
April	0.62	0.48	1,161,418
May	0.51	0.43	1,387,887
June	0.58	0.40	1,597,736
July	0.57	0.50	706,472
August	0.55	0.48	951,325
September	0.51	0.43	553,306
October	0.46	0.38	1,048,070
November	0.45	0.39	561,411
December	0.49	0.39	841,818
2021			
January	0.55	0.47	1,139,046
February	0.55	0.42	2,464,868
March	0.53	0.46	730,108
April	0.50	0.46	676,083
May	0.62	0.46	1,069,509
June	1.26	0.55	5,476,406
July	1.48	1.17	3,577,612
August 1 - 16	1.20	1.10	1,764,791

ELIGIBILITY FOR INVESTMENT

In the opinion of DLA Piper (Canada) LLP, counsel to the Corporation, and Dickinson Wright LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act and the Regulations for trusts governed by a "registered retirement savings plan", "registered retirement income fund", "tax-free savings account", "registered education savings plan", "registered disability savings plan" (collectively referred to as "**Registered Plans**") and a "deferred profit sharing plan", provided that, and subject to the provisions of any particular Registered Plan, at such time:

- (a) in the case of the Unit Shares and Warrant Shares, (i) the Common Shares are listed on a "designated stock exchange" within the meaning of the Tax Act (which, on the date hereof, includes the TSXV), or (ii) the Corporation otherwise qualifies as a "public corporation" (as defined in the Tax Act); and
- (b) in the case of the Warrants, the Warrant Shares are listed on a "designated stock exchange" and the Corporation is not an annuitant, a beneficiary, an employer or a subscriber under or a holder of the particular Registered Plan and deals at arm's length (within the meaning of the Tax Act) with each person who is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan.

Notwithstanding that the Unit Shares, Warrants, and Warrant Shares may be a "qualified investment" for a trust governed by a Registered Plan, the annuitant, subscriber or holder, as the case may be (each, a "**Registered Holder**"), will be subject to a penalty tax if the Unit Shares, Warrants, or Warrant Shares are a "prohibited investment" within the meaning of the Tax Act for such Registered Plan. The Unit Shares, Warrants, and Warrant Shares will generally not be a "prohibited investment" for a trust governed by a Registered Plan provided that the Registered Holder: (i) deals at arm's length with the Corporation for the purposes of the Tax Act; and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Corporation. In addition, the Unit Shares and Warrant Shares will generally not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act) for trusts governed by a Registered Plan.

Prospective purchasers who intend to hold Unit Shares, Warrants, or Warrant Shares in a Registered Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of DLA Piper (Canada) LLP, counsel to the Corporation, and Dickinson Wright LLP, counsel to the Underwriters (collectively, "**Counsel**"), the following is a summary, as at the date of this Prospectus, of certain of the principal Canadian federal income tax considerations under the Tax Act generally applicable to: (i) a purchaser (the "**Initial Purchaser**") who acquires as beneficial owner pursuant to the Offering the Unit Shares and Warrants which comprise the Units; and (ii) an Initial Purchaser who acquires Warrant Shares on the exercise of such Warrants (the Unit Shares, Warrants, and Warrant Shares, collectively, the "**Securities**", and each a "**Security**"), and who, for the purposes of the application of the Tax Act and at all relevant times: (a) deals at arm's length with the Corporation and the Underwriters; (b) is not affiliated with the Corporation or the Underwriters; and (c) acquires and holds the Securities as capital property. The Securities will generally be capital property to an Initial Purchaser 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. An Initial Purchaser of Units meeting all such requirements is referred to as a "**Holder**" in this section of this Prospectus.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act, (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) an interest which would be a "tax shelter investment" as defined in the Tax Act, (iv) that has made a "functional currency" reporting election under the Tax Act, (v) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as such terms are defined in the Tax Act, with respect to any Securities, or (vi) that receives dividends on the Unit Shares or Warrant Shares under or as part of a "dividend rental arrangement" as defined in the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Units.

This summary is based upon the provisions of the Tax Act in force as of the date of this Prospectus and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal or any provincial, or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

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. Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Offering Price

Holders will be required to allocate, on a reasonable basis, their cost of each Unit between the Unit Share and the one-half of one Warrant comprising the Unit in order to determine their respective costs for purposes of the Tax Act.

For its purposes, the Corporation intends to allocate \$1.164 to each Unit Share and \$0.036 to each one-half of one Warrant comprising part of each Unit. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to the Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Resident Holders

The following section of this summary applies to Holders who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times ("**Resident Holders**"). Certain Resident Holders whose Common Shares or Warrant Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, Warrant Shares and every other "Canadian security" as defined in the Tax Act held by such persons in the taxation year of the election and each subsequent taxation year to be capital property. This election will not apply to the Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Warrants

The expiry of an unexercised Warrant will generally result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. See the discussion below under the heading "*Capital Gains and Capital Losses*".

Dividends on Common Shares

Dividends received or deemed to be received by a Resident Holder on the Common Shares will be included in computing the Resident Holder's income pursuant to the Tax Act. In the case of a Resident Holder who is an individual (other than certain trusts), dividends received or deemed to be received on the Common Shares will be included in computing the Resident Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (each as defined in the Tax Act), including the enhanced dividend tax credit in respect of "eligible dividends", if any, so designated by the Corporation to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the Corporation's ability to designate dividends as "eligible dividends".

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Common Shares will be included in computing the Resident Holder's income but will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay an additional refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income.

Disposition of Securities

Upon a disposition or deemed disposition of a Common Share (other than 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) or a Warrant (other than on the exercise or expiry of such Warrant), a capital gain (or capital loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of such Security to the Resident Holder immediately

before the disposition and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the treatment described below under "*Capital Gains and Capital Losses*".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include, in computing its income for a taxation year, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in that year by such Resident Holder. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstance specified by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. 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 also be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including taxable capital gains. Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual (other than certain specified trusts) may give rise to minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders that are individuals should consult their own advisors with respect to the application of the minimum tax.

Non-Resident Holders

The following section of the summary applies to a Holder who, at all relevant times, for purposes of the Tax Act, (i) is neither resident nor deemed to be resident in Canada, and (ii) does not, and is not deemed to, use or hold the Securities in, or in the course of, carrying on a business in Canada (a "**Non-Resident Holder**"). In addition, special rules, which are not discussed in this summary, may apply to a Non-Resident 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). Such Holders should consult their own tax advisors.

Expiry of Warrants

The expiry of an unexercised Warrant will generally result in a capital loss to the Non-Resident Holder equal to the adjusted cost base of the Warrant to the Non-Resident Holder immediately before its expiry. See the discussion below under the heading "*Disposition of Securities*".

Dividends on Common Shares

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Common Shares by the Corporation are subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, unless such rate is reduced by the terms of an applicable income tax treaty or convention. For example, under the *Canada-United States Tax Convention* (1980) (the "**Treaty**") as amended, the rate of withholding tax on dividends paid or credited to a Non-Resident Holder that is the beneficial owner of the dividend, resident in the United States for purposes of the Treaty, and entitled to all of the benefits under the Treaty, is generally limited to 15% of the gross amount of the dividend. Non-Resident Holders should consult their own tax advisors.

Disposition of Securities

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Security, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Security constitutes "taxable Canadian property" to the Non-Resident Holder thereof for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention.

Provided that the Unit Shares and Warrant Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSXV) at the time of disposition, the Security generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are met concurrently: (i) one or any combination of the (a) Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, or (c) partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships) owned 25% or more of the issued shares of any class or series of shares of the Corporation; and (ii) at such time, more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or 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 an option in respect of, an interest in, or for civil law rights in such property, whether or not such property exists. Notwithstanding the foregoing, the Securities may also be deemed to be taxable Canadian property to a Non-Resident Holder under certain provisions of the Tax Act.

Even if a Security is "taxable Canadian property" to a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Security by virtue of an applicable income tax treaty or convention.

A Non-Resident Holder's capital gain (or capital loss) in respect of a Security that constitutes or is deemed to constitute taxable Canadian property (and is not exempt from tax under an applicable income tax treaty or convention) will generally be computed in the manner described above under the heading "*Capital Gains and Capital Losses*".

Non-resident holders whose securities are taxable Canadian property should consult their own tax advisors.

RISK FACTORS

An investment in the Units or the Additional Units should be considered highly speculative and involves significant risks due to the nature of the Corporation's business, its limited operating history and the status of its properties.

Readers should carefully consider all of the information set out in this Prospectus and in documents incorporated by reference and the risks attaching to an investment in the Corporation including in particular, but not limited to, the factors set out below and in the AIF before making an investment decision. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Further, many of the risks are beyond the Corporation's control and, in spite of the Corporation's active management of its risk exposure, there is no guarantee that these risk management activities will successfully mitigate such exposure.

All statements regarding the Corporation's business should be viewed in light of these risk factors. Investors should consider carefully whether investment in the Units and Additional Units is suitable for them in light of the information in this Prospectus and in the documents incorporated by reference and their personal circumstances. If any of the identified risks were to materialize, the Corporation's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems not to be material, may also have an adverse effect upon the Corporation, the Units and Additional Units.

The Corporation has discretion in its use of the proceeds from the Offering.

The Corporation intends to use the net proceeds of the Offering as set forth under "Use of Proceeds". Management of the Corporation maintains broad discretion to spend the proceeds in ways that it deems most efficient and may use the net proceeds other than as described and in ways that an investor may not consider desirable. As a result, an investor will be relying on the judgment of management for the application of the net proceeds of the Offering. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under "Use of Proceeds" could adversely affect the Corporation's business and, consequently, could adversely affect the price of the Common Shares on the open market.

Forward-Looking Statements may prove to be inaccurate.

Investors are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading "Special Note Regarding Forward-Looking Statements".

The market price of the Common Shares may be volatile and is subject to wide fluctuations

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by government and regulatory authorities, the Corporation or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares. Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be materially and adversely affected.

Future sales or issuances of securities and dilution of Common Shares

Shareholders of the Corporation will incur immediate dilution as a result of the Offering and the Concurrent Private Placement. The Corporation may sell additional Common Shares or other securities in subsequent offerings. The Corporation may also issue additional securities to finance future activities. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect the prevailing market price of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per Common Share.

The Corporation may be unable to obtain additional financing on acceptable terms or at all

The continued development of the Corporation may require additional financing. The failure to raise or procure such additional funds may result in the delay or postponement of the Corporation's business objectives. There can be no assurance that additional capital or other types of financing will be available if and as needed or that, if

available, will be on terms acceptable to the Corporation. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution.

The Corporation has a history of Negative Cash Flow

The Corporation has a history of negative cash flow from operating activities. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need to allocate a portion of the net proceeds received from the sale of Units hereunder or other financings to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or available to the Corporation or at all.

No Market for the Warrants

There is no market through which the Warrants may be sold and the Warrants will not be listed on any securities or stock exchange or automated dealer quotation system. As a result, the purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Warrants. The Offering Price and the allocation thereof between the Unit Shares and the Warrants comprising the Units have been determined by negotiation between the Corporation and the Underwriters.

Holders of Warrants have no Rights as Shareholders

Until a holder of Warrants acquires Warrant Shares upon exercise of such Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon exercise of such Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date of such Warrants.

ANNUAL INFORMATION FORM

The following section corrects the disclosure in the AIF under the heading "**GENERAL DEVELOPMENT AND HISTORY OF THE COMPANY – Three Year Business Development History**" by adding the following paragraph at the end of this section entitled "**Financial Year ended December 31, 2020**":

On December 18, 2020 Nanalysis executed a multi-million-dollar original equipment manufacturing contract ("OEM") with a European Corporation. Under this agreement an initial licensing fee of \$876,000 was due within 15 days of signing, this amount was received on January 11, 2021. The Company expects to receive milestone payments totaling approximately \$2 million over the next three years. The Company also expects to generate revenue through OEM sales in subsequent years.

And by deleting the following paragraph at the end of this section entitled "**January 1, 2021 to the Effective Date**":

On January 12, 2021, the Company signed multi-million-dollar original equipment manufacturer ("OEM") deal with a European company, under which the Company received an initial payment of approximately \$1 million, and is expected to receive milestone payments totaling approximately \$2 million over the next three years. The Company also expects to generate revenue through OEM sales in subsequent years.

The following sentence under the heading "**DIRECTORS AND OFFICERS**" in the AIF is revised to change the underlined information: *As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 3,888,511 Common Shares, representing approximately 5.8% of the Common Shares outstanding as of the Effective Date.*

MANAGEMENT DISCUSSION & ANALYSIS

The following section corrects the disclosure in the Q1 MD&A.

The following sentence under the heading "**OVERALL PERFORMANCE**" in the Q1 MD&A is revised to add the underlined information: *The gradual ramp up of manufacturing limited production quantities in the first quarter, leaving Nanalysis with 22 100MHz orders in growing backlog as at May 19, 2021.*

In addition, the following sentence under the heading "**DISCUSSION OF OPERATIONS - Revenue**" in the Q1 MD&A is revised to add the underlined information: *Gradual ramp up of manufacturing has hindered production quantities in the first quarter, leaving Nanalysis with 22 100MHz orders on backorder as at May 19, 2021.*

AUDITOR, TRANSFER AGENT AND REGISTRAR

The independent auditor of the Corporation is Ernst & Young LLP, Chartered Accountants at 2200 - 215 2nd Street SW, Calgary, AB, T2P 1M4.

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) at its principal office in Calgary Alberta at 333 7 Ave SW, Calgary, AB, T2P 2Z1.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering under Canadian law will be passed upon by DLA Piper (Canada) LLP on behalf of the Corporation and by Dickinson Wright LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of each of DLA Piper (Canada) LLP and Dickinson Wright LLP, as respective groups, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

Ernst & Young LLP, the Corporation's independent auditors for the period ended December 31, 2020, are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Julien Mueller, the Chief Technology Officer of the Corporation and Guido Cloetens, a director of the Corporation, reside outside of Canada and each of the aforementioned individuals has appointed DLA Piper (Canada) LLP, Suite 1000, 250 2nd Street SW, Calgary, AB, T2P 0C1, as agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In certain 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 or 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 advisor.

In an offering involving Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities

legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Date: August 17, 2021

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta, and Ontario.

(signed) "*Sean Krakiwsky*"
Sean Krakiwsky
President and Chief Executive Officer

(signed) "*Luke Caplette*"
Luke Caplette
Chief Financial Officer

(signed) "*Martin Burian*"
Martin Burian
Director

(signed) "*Guido Cloetens*"
Guido Cloetens
Director

CERTIFICATE OF THE UNDERWRITERS

Date: August 17, 2021

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

ECHELON WEALTH PARTNERS INC.

(signed) "*Christine Young*"

Christine Young

Managing Director

LEEDE JONES GABLE INC.

(signed) "*Jim Dale*"

Jim Dale

Chief Executive Officer