

**Form 1**  
***Start-Up Crowdfunding – Offering Document***

**Item 1: RISKS OF INVESTING**

**No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.**

**Item 2: THE ISSUER**

**2.1 Issuer Information**

Company name: HTEC Hydrogen Technology & Energy Corporation ("HTEC")  
Company address: 315 Mountain Hwy North Vancouver, BC V7J 2K7  
Company phone: 604.904.0412  
Company fax: 604.986.0525  
Company email: info@htec.ca

**2.2 Contact Person Information**

Name: Colin Armstrong  
Position: President and CEO  
Address: 315 Mountain Hwy, North Vancouver, BC V7J 2K7  
Phone: 604.904.0412  
Fax: 604.986.0525  
Email: carmstrong@htec.ca

**Item 3: BUSINESS OVERVIEW**

**3.1 Business Description of the Company**

HTEC is in the business of providing hydrogen fuel supply solutions to service the demand for hydrogen created by fuel cell electric vehicles.

**A more detailed description of the issuer's business is provided below or at HTEC's website at <https://www.htec.ca/about>.**

## Item 4: MANAGEMENT

### 4.1 Promoters, Directors, Officers and Control Persons of the Company

| Full legal name municipality of residence and position at issuer    | Principal occupation for the last five years | Expertise, education, and experience that is relevant to the issuer's business  | Number and type of securities of the issuer owned | Date securities were acquired and price paid for the securities | Percentage of the issuer's securities held as of the date of this offering document |
|---|--|---|---|---|---|
| <b>Colin Armstrong.</b><br>• North Vancouver<br>• President and CEO | Businessperson and Engineer                  | Involvement in hydrogen systems for over 20 years. Mechanical Engineering Degree, BC Professional Engineering Small company management for over 30 years. | 83,333 Class A Non-voting Preference shares       | May 18, 2017 (\$0.75 per share)                                 | Total Class A Preference - <u>24</u> %  |
|   |  |   | 64,353 Class A Non-voting Preference shares       | May 18, 2017 (\$0.75 per share)                                 |   |
|   |  |   | 1,000,000 Class B Non-voting Common shares        | • Aug 25/04 (\$0.0001 per share) (Founders Shares)              | Total Class B Common - <u>48</u> %  |
|   |  |   | 5,000 Class B Non-voting Common shares            | • Dec 1/05 (\$1 per share)                                      |   |
|   |  |   | 270,602 Class B Non-voting Common shares          | • Mar 2/08 (\$0.27 per share)                                   |   |
|   |  |   | 135,700 Class B Non-voting Common shares          | • Nov 11/12 (\$0.35 per share)                                  |   |
|   |  |   | 1,000,000 Class B Non-voting Common shares        | • Jun 30/14 (\$0.05 per share)                                  |   |
| <b>Chris Sacre</b><br>• North Vancouver<br>• Director               | Businessperson                               | Principal of primary engineering company providing services to HTEC   | 860,000 Class B Non-voting Common shares          | • Jun 30/14 (\$0.05 per share)                                  |   |
|   |  |   |   | • Aug 25/04 (\$0.0001 per share)                                | Total Class B Common - <u>19</u> %  |
|   |  |   | 500,000 Class B Non-voting Common shares          | • Dec 1/05 (\$1 per share)                                      |   |
|   |  |   | 92,593 Class B Non-voting Common shares           | • Mar 2/08 (\$0.27 per share)                                   |   |
|   |  |   | 500,000 Class B Non-voting Common shares          | • May 5/10 (\$0.0001 per share) (Founders Shares)               |   |

|   |                |   |   |                                   |                                       |
|---|----------------|---|---|-----------------------------------|---------------------------------------|
|   |                |   | 21,429 Class B Non-voting Common shares     | • Mar 1/15 (\$0.70 per share)     |                                       |
|   |                |   | 202,500 Class B Non-voting Common shares    | • Apr 28/17 (\$ per share N/A)    |                                       |
| <b>Richard Hopp</b><br>• <b>Madeira Park</b><br>• <b>Consultant</b> | Businessperson | Extensive business, financial and advisory contacts | 36,586 Class A Non-voting Preference shares | • May 18, 2017 (\$0.75 per share) | Total Class A Preference - <u>6</u> % |
|   |                |   | 5,000 Class B Non-voting Common shares      | • Dec 1/05 (\$1 per share)        | Total Class B Common - <u>8</u> %     |
|   |                |   | 92,593 Class B Non-voting Common shares     | • Mar 2/08 (\$0.27 per share)     |                                       |
|   |                |   | 451,204 Class B Non-voting Common shares    | • Jun 30/14 (\$0.01 per share)    |                                       |
| <b>Mark Kirby</b><br>• <b>North Vancouver</b><br>• <b>Director</b>  | Businessperson | Extensive business, financial and advisory contacts | 20,356 Class A Non-voting Preference shares | • May 18, 2017 (\$0.75 per share) | Total Class A Preference - <u>3</u> % |
|   |                |   | 2,500 Class B Non-voting Common shares      | • Sep 30/11 (\$ per share N/A)    | Total Class B Common - <u>6</u> %     |
|   |                |   | 23,000 Class B Non-voting Common shares     | • Dec 12/012 (\$0.35 per share)   |                                       |
|   |                |   | 194,657 Class B Non-voting Common shares    | • Jun 30/14 (\$0.01 per share)    |                                       |
|   |                |   | 85,185 Class B Non-voting Common shares     | • Jun 30/14 (\$0.01 per share)    |                                       |
|   |                |   | 85,185 Class B Non-voting Common shares     | • Apr 28/17 (\$0.01 per share)    |                                       |

4.2 No person listed in item 4.1 or HTEC, as the case may be:

1. has ever, pled guilty to or been found guilty of:
  - (a) a summary conviction or indictable offence under the *Criminal Code* (R.S.C., 1985, c. C-46) of Canada,
  - (b) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,
  - (c) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein, or
  - (d) an offence under the criminal legislation of any other foreign jurisdiction,
2. is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a

- foreign jurisdiction in the last ten years related to his or her involvement in any type of business, securities, insurance or banking activity,
3. is or has been the subject of a bankruptcy or insolvency proceeding,
  4. is a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs 4.2 (1) (a), (b) or (c) above.

## **Item 5: START-UP CROWDFUNDING DISTRIBUTION**

### **5.1 Name of Funding Portal**

Silver Maple Ventures Inc., doing business as FrontFundr, is to conduct this start-up crowdfunding distribution ("FrontFundr").

### **5.2 Participating jurisdictions where this offering is available**

The issuer intends to raise funds in British Columbia, Saskatchewan, Alberta, Manitoba, Nova Scotia, New Brunswick, Ontario, and Quebec and make this offering document available in British Columbia, Saskatchewan, Alberta, Manitoba, Nova Scotia, and New Brunswick.

### **5.3 Offering Period**

With respect to the start-up crowdfunding distribution, the date before which the issuer must have raised the minimum offering amount for the closing of the distribution, is no later than 90 days after the date this offering document is made available on the funding portal.

### **5.4 Securities Offered**

The securities of HTEC being offered are Class B Common Voting Shares.

### **5.5 Rights attached to the Securities Offered**

The securities being offered provide the following rights: (Choose all that apply):

- ☒ Voting rights,
- ☒ Dividends or interests (describe any right to receive dividends or interest),
- ☒ Rights on dissolution (*but secondary to preferred shareholders and to secured lenders*),
- ☐ Conversion rights (describe what each security is convertible into),
- ☐ Other (describe the rights).

### **5.6 Material restrictions or conditions attached to the Securities**

Every person participating in this offering will have to enter into the HTEC Shareholder Agreement ("SHAG") directly or via an Accession Agreement. Every person also has to enter into a Voting Trust Agreement ("VTA").

Under this VTA the votes attributable to your shares will be voted by a trustee appointed by HTEC's board of directors.

The SHAG has various rights customary to such documents. In particular it has these provisions:

- a. The SHAG specifies certain veto rights for a major partner of HTEC; Sacre Davey Innovations Inc.
- b. The SHAG requires shareholders wanting to sell their shares to do so in a defined process such that only HTEC and other HTEC shareholders can purchase those shares. Consequently, there is practically no public market for the HTEC shares.
- c. The SHAG has a tag-along right which is a contractual obligation used to protect minority shareholders. The right assures that if a majority shareholder of HTEC sells their stake, minority shareholders have the right to join and sell their securities on the same terms and conditions as would apply to the majority shareholder.
- d. The SHAG has a drag-along right which is a right is designed to protect a majority shareholder. A drag-along right enables a majority shareholder to force minority shareholders to join in the sale of a company, by giving the minority shareholders the same price, terms, and conditions as any other seller.
- e. The SHAG has a force-out provision so that if you default on your obligations (for example you must keep HTEC financials confidential and you cannot transfer your shares except under the terms of the SHAG; breaching terms of the SHAG means that you are in default) then HTEC can buy back your shares at 75% of fair market value.

## 5.7 Offering Amount and Price per Security

|  | Total amount (\$) | Total number of eligible securities issuable |
|--|-------------------|--|
| <b>Minimum offering amount<sup>1</sup></b> | 500,000           | 454,545                                      |
| <b>Target offering amount<sup>2</sup></b>  | 1,000,000         | 909,091                                      |
| <b>Maximum offering amount</b>             | 1,500,000         | 1,363,636                                    |
| <b>Price per eligible security</b>         | \$1.10            |  |

<sup>1</sup> The minimum offering amount stated in this offering document may be satisfied with funds that are unconditionally available to HTEC that are raised by concurrent distributions using other prospectus exemptions without having to amend this offering document.

<sup>2</sup>The Issuer will utilize exemptions other than the Start-up Crowdfunding exemption available to it throughout the Offering. As such, it may raise more than \$500,000 in the calendar year.

## 5.8 Minimum Investment amount per purchaser

The Minimum Investment Amount per purchaser is \$1,100.

## Item 6: ISSUER'S BUSINESS

### 6.1 Business of the Company

- a. HTEC is in the business of providing hydrogen fuel supply solutions to service the demand for hydrogen created by fuel cell electric vehicles. HTEC designs, builds and operates hydrogen:
  - production facilities
  - distribution systems
  - fuelling stations
- b. HTEC has expertise in hydrogen-related technology solutions and services including
  - Product development and validation
  - Specialty systems design and assembly
  - Hydrogen energy solution evaluation and adoption
- c. HTEC derives revenues from the following sources: large energy companies; vehicle owner/operators; government; car companies and hydrogen project developers.
- d. HTEC's business model has been to be the first to establish hydrogen fuelling networks in emerging regions (California and BC to date) to lock in long term hydrogen supply and station operations & maintenance revenue opportunities.
- e. Future HTEC plans are to lock in and penetrate new markets (Quebec, Ontario, Cascadia). The time is right to secure a leadership position but this will require investment in both HTEC company processes and in infrastructure. Relationships at all levels of government and industry are critical. However funding cycles are slow and competitive with many market entrants. Therefore non-government capital sources are needed.
- f. HTEC intends to be in the forefront of building the infrastructure for the B.C. hydrogen refuelling station network. HTEC has secured over \$ 23 million in contracts to support build and operate these stations. Plans are to have 6 retail fuelling stations by 2020 supplying fuel for up to 100 hydrogen cars by way of electrolysis production facilities.
- g. Further long terms goals are to create a global technical solutions and engineering-based systems business with leading technical expertise in deploying, building, operating and maintaining hydrogen fuelling infrastructure. Technologies and solutions under development include:
  - Network management & hydrogen delivery logistics software,
  - SAE J2601 compliant back up fueling solutions,
  - Mobile fueling stations,
  - Next generation hydrogen delivery systems,
  - Improved distribution and station compression solutions.
- h. HTEC's management and business associates have extensive experience in the hydrogen refuelling infrastructure industry.
  - We have world-leading project development, financing, technical & operations expertise and a proven track records.

- We have "Greenbanded" safety certification by Shell allowing us to lead activities on Shell properties.
  - We have led the development and management of over \$45 million of hydrogen projects.
  - We have a strong strategic partner base as well as connections to federal and provincial/state governments.
  - We have "first mover" and "locals" advantage in Canada (where government money is now being directed).
  - We have an agile and passionate culture.
- i. HTEC has over 12 years of experience in building hydrogen fuelling infrastructure:
- From 2005 to 2011 we built and operated our first by-product hydrogen plant to support the BC Hydrogen Highway projects
  - From 2010 to 2013, we started our hydrogen distribution and station operations business by partnering with Air Liquide in the world's largest hydrogen fuelling station for Whistler Transit
  - Between 2014 to present, we have developed and built public hydrogen stations in British Columbia and California and are planning for more builds in Quebec, Ontario, and Pacific North West.

## **6.2 Legal Structure of the Company**

The Company was incorporated on July 21, 2004 as # BC0700313 as a British Columbia for-profit corporation under the laws of British Columbia.

## **6.3 Availability of corporate documents**

HTEC's articles of incorporation, shareholder agreement, the accession agreement and the voting trust agreement are available to potential investors for review.

These documents will be made available electronically for review and for signature electronically.

## **6.4 Operations of the Company**

Indicate which statement(s) best describe the issuer's operations (select all that apply):

- ☐ Has never conducted operations,
- ☐ Is in the development stage,
- ☒ Is currently conducting operations,
- ☐ Has shown profit in the last financial year.

## **6.5 Financial Statements are available upon request.**

**Information for purchasers: If you receive financial statements from an issuer conducting a start-up crowdfunding distribution, you should know that those financial statements have**

not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this offering document. You should ask the issuer which accounting standards were used to prepare the financial statements and whether the financial statements have been audited. You should also consider seeking advice of an accountant or an independent financial adviser about the information in the financial statements.

## Item 7: USE OF FUNDS

### 7.1 Funds Previously Raised

The issuer has not previously raised funds under the Start-up Crowdfunding exemption.

### 7.2 Use of Funds for this Offering

| Description of intended use of funds listed in order of priority  | Amounts (\$)                                | Amounts (\$)   |
|---|---|--|
|   | Assuming minimum offering amount \$ 500,000 | Assuming maximum offering amount \$ 1,500,000 <sup>1</sup> |
| <b>Infrastructure platform investments/cash flow</b>  | \$300,000                                   | \$750,000  |
| <b>Internal capacity building</b> <ul style="list-style-type: none"> <li>Expansion of teams and internal process improvements</li> <li>Office and shop facility</li> </ul>                              | \$50,000                                    | \$150,000  |
| <b>Technology and Solutions development</b> <ul style="list-style-type: none"> <li>Technology development (funds to be leveraged 3 to 4x)</li> <li>Packaging of solutions for global markets</li> </ul> | -   | \$150,000  |
| <b>Business and project development</b> <ul style="list-style-type: none"> <li>Project and partner development</li> <li>Improved marketing and branding</li> <li>Global Market Development</li> </ul>   | \$50,000                                    | \$150,000  |
| <b>Working capital</b>  | \$100,000                                   | \$300,000  |

|                                |                  |                    |
|--------------------------------|------------------|--------------------|
| <b>Total – Available Funds</b> | <b>\$500,000</b> | <b>\$1,500,000</b> |
|--------------------------------|------------------|--------------------|

<sup>1</sup>The Issuer will continue to raise capital concurrently to this Offering using other available prospectus exemptions but is limited to raising \$250,000, twice per calendar year, using this Start-up Crowdfunding Offering.

## **Item 8: PREVIOUS START-UP CROWDFUNDING DISTRIBUTIONS**

The issuer has not raised funds pursuant to the Start-Up Crowdfunding exemption.

## **Item 9: COMPENSATION PAID TO FUNDING PORTAL**

FrontFundr may retain 6% of the total raise as commission.

## **Item 10: RISK FACTORS**

### **10.1**

Investment risk includes, but is not limited to the following:

### **Securities are Speculative.**

The securities offered hereunder must be considered highly speculative and an investment in such securities involves a high degree of risk. A potential subscriber should carefully consider the following risk factors in addition to the other information contained in this memorandum before purchasing Shares. Due to the nature of the business and the present stage of development of its business, the Company may be subject to significant risks. The Company's actual operating results may be very different from those expected as at the date of this memorandum, in which the event the trading price of the Securities could decline, and a subscriber may lose all or part of his or her investment. The risk factors outlined below are not a definitive list of all risk factors associated with an investment in the securities offered hereunder and investors are cautioned that they may lose their entire investment.

### **Restrictions on Transfers; No Public Market.**

There is presently no public market for the Securities and none is expected to develop in the foreseeable future. The Securities are subject to substantial restrictions on transfer under securities laws and the Articles of the Company. Accordingly, the Securities may not be resold or otherwise transferred, except in accordance with the Articles of the Company or in accordance with such applicable Canadian securities laws. (See Item 12 – Resale Restrictions.)  
Value of Securities of the Company - The price for Securities of the Company is determined by management and may not bear any relationship to earnings, book value or other valuation criteria.

## **Tax Matters.**

The return on a shareholder's investment in his/her or its Securities is subject to changes in Canadian Federal and Provincial tax laws, as well as any other tax laws applicable to the shareholders. There can be no assurance that the tax laws will not be changed in a manner which will fundamentally alter the tax consequences to investors of holding or disposing of Securities. Dilution - After completion of the Offering, then existing shareholders may have their interests diluted. The exercising of outstanding stock options or warrants shall also have a dilutive effect on the interests of the new purchasers of the Securities. Moreover, in the event the Company requires additional equity financing pursuant to the Securities offered under the Offering, purchasers of the additional Securities may experience further dilution to the extent that such Securities may be issued for a value less than the price paid for conversion of shares acquired hereunder.

In order of importance, starting with the most important, the main risks of investing in the issuer's business for the investors are:

Risk 1 – Limited access to capital that can be applied to operations and investment in hydrogen supply infrastructure.

Risk 2 – Government regulations changing so they do not support hydrogen fuel and fuel cell vehicle adoption.

Risk 3 – The automobile companies changing their plans for the development and deployment of fuel cell vehicles.

## **OTHER SPECIFIC RISK FACTORS RELATED TO THE ISSUER'S BUSINESS AND INDUSTRY**

Significant markets for fuel cell and other hydrogen energy products may never develop or may develop more slowly than we anticipate, which would significantly harm our revenues and may cause us to be unable to recover the losses we have incurred and expect to incur in the development of our products.

Significant markets may never develop for fuel cell and other hydrogen energy products or they may develop more slowly than we anticipate. Any such delay or failure would significantly harm our revenues and we may be unable to recover the losses we have incurred, and expect to continue to incur in the development of our products. In such case, we may never achieve profitability and our business could fail.

Fuel cell and other hydrogen energy products represent an emerging market, and whether or not end-users will want to use them may be affected by many factors, some of which are out of our control, including:

- the emergence of more competitive technologies and products, including other environmentally clean technologies and products that could render hydrogen as a fuel source obsolete;
- the future cost of materials used for handling hydrogen for hydrogen refuelling infrastructure;
- the regulatory requirements of agencies, including the development of uniform codes and standards for hydrogen refueling infrastructure and other hydrogen energy products;
- government support of hydrogen storage technology and hydrogen refueling technology;
- the manufacturing and supply costs for hydrogen refuelling infrastructure components and systems;
- perceptions of consumers regarding the safety of our hydrogen refuelling infrastructure;
- the willingness of consumers to try new technologies;
- the continued development and improvement of existing power technologies; and
- the future cost of fuels used in existing technologies.

**Hydrogen may not be readily available on a cost-effective basis, in which case there may not be a demand for hydrogen refuelling infrastructure, and our revenues and results of operations would be materially adversely affected.**

If customers of fuel cell power products or of hydrogen generally are not able to obtain hydrogen on a cost-effective basis, hydrogen as a power source may be unable to compete with existing power sources, and our revenues and results of operations would be materially adversely affected. Our hydrogen refuelling infrastructure requires that there is a demand for hydrogen to be delivered via geographically disparate locations.

**Changes in government policies and regulations could hurt the market for our products.**

The market for stationary and portable energy-related products and hydrogen refuelling infrastructure is influenced by federal, state and provincial governmental regulations and policies concerning the electric utility industry. Changes in regulatory standards or public policy could deter further investment in the research and development of alternative energy sources, including fuel cells and fuel cell products, and could result in a significant reduction in the potential market demand for our products. We cannot predict how changing government regulation and policies regarding hydrogen refuelling infrastructure. Although the development of alternative energy sources, and in particular fuel cells, has been identified as a significant priority by many governments, we cannot be assured that governments will not change their priorities or that any such change would not materially affect our revenues and business. If governments change their laws and regulations such that the development of alternative energy sources is no longer required or encouraged, the demand for alternative energy sources such as hydrogen may be significantly reduced or delayed and our sales would decline.

**The development of uniform codes and standards for hydrogen-powered vehicles and related hydrogen refuelling infrastructure may not develop in a timely fashion, if at all.**

Establishment of appropriate codes and standards is a critical element to allow hydrogen infrastructure companies and hydrogen storage and handling companies to develop products that will be accepted in the marketplace and for us consequently to develop hydrogen refuelling infrastructure.

### **Item 11: REPORTING OBLIGATIONS**

The Issuer is not a “reporting issuer” in any jurisdiction in Canada. All investors shall become HTEC shareholders. As a corporation formed under the *Canada Business Corporation Act*, all shareholders shall receive information on a timely basis, including but not limited to, comparative financial statements and any further information respecting to the financial position of the corporation and the results of its operations at the annual general meeting.

### **Item 12: RESALE RESTRICTIONS**

The securities you are purchasing are subject to a resale restriction. You may never be able to resell the securities.

### **Item 13: PURCHASERS’ RIGHTS**

If you purchase these securities, your rights may be limited, and you will not have the same rights that are attached to a prospectus under applicable securities legislation. For information about your rights you should consult a lawyer.

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal within 48 hours of your subscription. If there is an amendment to this offering document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal within 48 hours of receiving notice of the amendment.

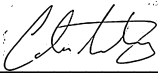
The offering of securities described in this offering document is made pursuant to a start-up crowdfunding registration and prospectus exemptions order issued by the securities regulatory authority or regulator in each participating jurisdiction exempting the issuer from the prospectus requirement.

**Item 14: DATE AND CERTIFICATE**

**14.1 Certification**

**On behalf of the issuer, I certify that the statements made in this offering document are true.**

Dated as of: 09/18/2018

Signature: 

Name: Colin Armstrong

Position: President and CEO

Company: HTEC Hydrogen Technology and Energy Corporation

**I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.**