

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum (the "Offering Memorandum"). Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the offering. This is a risky investment. See Item 8 – Risk Factors.

AMMENDED OFFERING MEMORANDUM

Date: June 5, 2017
The Issuer: MarDi.info-Prevtec Inc. (the "Corporation")
Address: 1100 René-Lévesque Blvd. West, 25th Floor, Montreal, Quebec, H3B 5C9
Phone: 450-831-4555
Fax: 1-855-643-3545
E-mail: dbergeron@mardi.info
Currently listed or quoted? No. These securities do not trade on any exchange or market
Reporting Issuer? No.
SEDAR filer? No.

The Offering

| | |
|---------------------------------------|--|
| Securities Offered | 8% fixed rate, secured bonds of the Corporation (the "Series A Bonds"), with interest payable on a quarterly basis and a bonus equal to 10% of the principal amount payable to the holder upon the earlier of redemption by the Corporation and December 31, 2021 (the "Maturity Date"). 8% fixed rate, secured bonds of the Corporation, with interest capitalized on a quarterly basis and repayable with a bonus equal to 10% of the principal amount upon the earlier of redemption by the Corporation and the Maturity Date (the "Series B Bonds" and together with the Series A Bonds, collectively, the "Bonds"). See Item 5 – Securities Offered. |
| Price per Security | \$1,000 per Bond |
| Minimum Offering | \$1,000,000 (1,000 Bonds) |
| Maximum Offering | \$7,000,000 (7,000 Bonds) |
| Subscription and Payment Terms | If you wish to subscribe for Bonds, you must complete and execute a subscription agreement and all applicable schedules and appendices thereto (" Subscription Agreement ") and any other required document. You must also ensure that sufficient funds are available in the account specified in your Subscription Agreement or otherwise submit payment to the Corporation for the total amount of your subscription by wire transfer (or such other method accepted by the Corporation) along with your completed Subscription Agreement in accordance with the instructions set out under Item 5.2 – Subscription and Payment Procedure . The full amount of your subscription will be held by the Corporation in a separate trust account until midnight on the second business day following the signature of your subscription. This amount will be returned to you in full if you exercise your right to withdraw under Item 11 – Subscriber's Rights and Item 5 – Securities Offered . |
| Minimum Subscription | \$10,000 (10 Bonds) |
| Proposed Closing Date(s) | Subscriptions will be received subject to the rights of the Corporation to reject or allot them in whole or in part and subject to the right to close the subscription books at any time without notice. The closing of the Minimum Offering is scheduled to occur on or about October 31 st , 2017. If the Minimum Offering amount is not met prior to November 30 th , 2017, collected funds will be returned to the respective parties by December 30 th , 2017 without interest. Subsequent closings shall occur from time to time during the course of the Offering. |
| Income Tax Consequences | There are important tax consequences to these securities. See Item 6 – Tax Consequences and Funds from Deferred Plans . |
| Purchaser's Rights | You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See Item 11 – Subscriber's Rights. |
| Resale Restrictions | You will be restricted from selling your Bonds for an indefinite period. You may never be able to resell these securities. See Item 10 – Resale Restrictions . |
| Selling Agents | Where allowed by applicable securities legislation, the Corporation intends to offer compensation of up to eight percent (8%) of the gross proceeds realized on the sale of Bonds under this Offering to any one of, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives, parties related to the Corporation, employees and/or contractors of such parties, and officers and directors of the Corporation. Mr. Dany Bergeron, the sole director and officer of the Corporation and the sole indirect beneficial shareholder of the Minority Shareholder of the Corporation, is also a dealing representative of Whitehaven Securities Inc. ("Whitehaven"), which may act as a selling agent under the Offering. As such, the Corporation could be considered a "connected issuer" of Whitehaven and/or Mr. Bergeron under the securities legislation of certain Canadian provinces and territories. See Item 7 – Compensation Paid to Sellers and Finders. |

Please print your name, sign and date below, and submit this page with your Subscription Agreement

Subscriber Name: _____ Subscriber Signature: _____ Date: _____

| | |
|-----------------------------------|---|
| <p>Connected Issuer</p> | <p>Canadian provincial and territorial securities laws provide that registered firms such as Whitehaven and its dealing representatives, may only trade in or advise prospective subscribers with respect to the securities of issuers to which they (or certain parties related to them) are related or connected if they provide certain prescribed disclosures regarding the “connected issuer” status of the issuer of the securities. Prior to trading in such securities or advising their clients, dealers such as Whitehaven are required to inform their clients of the relevant relationships and connections with the issuer of the securities, which in the case of the Offering detailed in this Offering Memorandum is the Corporation.</p> <p>Purchasers should refer to the relevant provisions of applicable securities laws for further details regarding these requirements or consult with a legal advisor.</p> <p>Subscribers should note that if they purchase Bonds through Whitehaven, they will not be purchasing securities from a dealer that is independent of the Corporation. See Item 7 – Compensation Paid to Sellers and Finders and the disclosure in bold under “Selling Agents” on the cover page of this Offering Memorandum.</p> |
| <p>Marketing Materials</p> | <p>All marketing materials related to this Offering and delivered or made reasonably available to a prospective subscriber are hereby incorporated by reference into this Offering Memorandum.</p> |

GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

“**Administrative Fees**” mean the fees payable by Prevtect to the Corporation, which shall be equal to the total amount of Offering costs, selling commissions, Target Fees, and other fees payable by the Corporation in connection with the closing of each tranche of the Offering and thereafter, upon completion of the Offering, equal to the operating costs and other fees payable by the Corporation from time to time until the Maturity Date. See Item 1.1 – Funds.

“**Annual Fee**” means the annual fee payable by the Corporation in cash to Target in an amount equal to: (i) \$2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital outstanding on the last day of the month the Target Agreement anniversary date falls in that is in excess of \$500,000; plus (iii) applicable taxes.

“**Bondholder**” means a holder of Bonds.

“**Bonds**” mean, collectively, the Series A Bonds and Series B Bonds offered by the Corporation hereunder, each of which shall rank equally, and be equally and ratably secured pursuant to the Deeds of Hypothec, notwithstanding the date of their issuance.

“**Business**” means the business of Prevtect, which is the development and commercialization of animal health products that serve as alternatives to antibiotics and offer sustainable solutions to improve animal health, production performance, and food safety. See Item 2.2 – Business.

“**Capital Raising Fee**” means the fee payable by the Corporation to Target in cash in an amount equal to one-half of one percent (being 0.5%), plus applicable taxes, of the total Deferred Plan Capital raised by the Corporation in excess of \$500,000.

“**Class A Shares**” mean the voting Class A preferred shares of the Corporation.

“**Class B Shares**” mean the non-voting Class B common shares of the Corporation.

“**Class E Prevtect Shares**” mean the Class E shares in the share capital of Prevtect, each of which entitles its holder to: (i) vote at any meeting of shareholders of Prevtect, (ii) receive an annual cumulative preferential dividend equal to eight percent (8%) of the amount credited to the issued and paid up share capital account for such share, (iii) receive any other dividend declared by Prevtect on its Class E shares, (iv) preferential rights upon the liquidation or dissolution of Prevtect, and (v) certain conversion rights that permit the holder to convert the share into a Class A share in the share capital of Prevtect.

“**CRA**” means Canada Revenue Agency.

“**Deeds of Hypothec**” mean, collectively, each deed of movable hypothec to be entered into, in advance of the closing of each tranche of the Offering, between the Corporation, as grantor, and the Trustee, in its capacity as hypothecary representative (i.e., *fondé de pouvoir*) within the meaning of Article 2692 of the *Civil Code of Québec* for the holders of Bonds to be issued under the tranche of the Offering, which shall provide for, *inter alia*, a movable hypothec in favour of the Trustee, as hypothecary representative, in an amount equal to the aggregate gross proceeds of the tranche of the Offering (or such greater amount that the Corporation may agree upon), with interest thereon at the rate of 25% per annum, charging as a universality, all corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, then owned or thereafter acquired by the Corporation. See Item 2.7 – Material Agreements.

“**Deferred Plan**” means any one of or collectively a RRSP, RRIF, RESP and a TFSA.

“**Deferred Plan Capital**” means capital of any kind raised by the Corporation from a RRSP, RRIF, RESP or TFSA pursuant to this Offering.

“**Material Breach**” means one or more of the following events:

- (a) the Corporation failing to pay the Annual Fee, the Capital Raising Fee or any amounts payable under the indemnity set out herein within sixty (60) days of such amounts being owing to Target;
- (b) the Corporation failing to deliver signed copies of the Target Release for each Subscriber of the Corporation's securities;
- (c) the Corporation failing to include in this Offering Memorandum or any future Offering Documents disclosure on such terms as required by the Target Agreement (the "**Required Disclosure**");
- (d) the Corporation failing to deliver a signed copy of the "Consent to Release Information" form as required by the Target Agreement concurrent with the execution and delivery of the Target Agreement (the "**Consent to Release Information**");
- (e) the Corporation failing to provide Target access to its books and records within thirty (30) days of receiving a written request from Target to review such documentation; and
- (f) the Corporation failing to raise any Deferred Plan Capital within twelve (12) months from the date of the Target Agreement.

"**Maturity Date**" means December 31, 2021, the maturity date of the Bonds.

"**Maximum Offering**" means the offering, issue, and sale of a maximum of up to 7,000 Bonds at a price of \$1,000 per Bond, on a private placement basis, for maximum gross proceeds of up to \$7,000,000, as more particularly described in this Offering Memorandum.

"**Minimum Offering**" means the offering, issue, and sale of a minimum of 1,000 Bonds at a price of \$1,000 per Bond, on a private placement basis, for minimum gross proceeds of \$1,000,000, as more particularly described in this Offering Memorandum.

"**Minority Shareholder**" means 9278-7381 Quebec Inc., the minority shareholder of the Corporation indirectly controlled by Mr. Dany Bergeron, which holds 4,000 Class A Shares and 100 Class B Shares, representing 40% of the issued and outstanding Class A Shares and 100% of the Class B Shares of the Corporation.

"**NI 45-106**" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators and the corresponding regulation bearing the same number in the province of Quebec.

"**Offering**" means the offering, issue, and sale of a minimum of 1,000 Bonds and a maximum of up to 7,000 Bonds at a price of \$1,000 per Bond, on a private placement basis, for minimum gross proceeds of \$1,000,000 and maximum gross proceeds of up to \$7,000,000, as more particularly described in this Offering Memorandum.

"**Offering Documents**" mean any offering memorandum, prospectus or term sheet, and applicable subscription agreement prepared by the Corporation in connection with a distribution of its securities.

"**Offering Jurisdictions**" mean each of the provinces and territories of Canada and such other jurisdictions that the Corporation may designate.

"**Offering Memorandum**" means this amended offering memorandum in respect of the Offering, dated Lxpg"7, 2017, including any amendment, restatement, or update hereto.

"**Prevtec**" means Prevtec Microbia Inc., a company incorporated under the *Business Corporations Act* (Quebec) on June 26, 2003, that carries on business in the development and commercialization of animal health products that serve as alternatives to antibiotics and offer sustainable solutions to improve animal health, production performance, and food safety, which will be financed, in whole or in part, by the Corporation through the proceeds of the Offering. See Item 2.2 – Business.

“**Prevtec Bonds**” mean, collectively, the Series A Prevtec Bonds and Series B Prevtec Bonds to be purchased by the Corporation using the proceeds of the Offering in order to finance the Business.

“**Prevtec Deeds of Hypothec**” mean, collectively, each deed of movable hypothec to be entered into, in advance of the closing of each purchase of Prevtec Bonds by the Corporation, between Prevtec, as grantor, and the Corporation, as creditor and hypothecary representative (i.e., *fondé de pouvoir*), which shall provide for, *inter alia*, a movable hypothec in favour of the Corporation in an amount equal to the aggregate principal amount of the Prevtec Bonds purchased by the Corporation under the closing (or such greater amount that Prevtec may agree upon), with interest thereon at the rate of 25% per annum, subordinated in rank to any existing and future hypothecs granted by Prevtec to other creditors to the extent of up to \$10,000,000, on an aggregate basis, plus accrued interests, and charging as a universality, all corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, then owned or thereafter acquired by Prevtec. See Item 2.7 – Material Agreements.

“**Prevtec Shareholders’ Agreement**” has the meaning ascribed to it under Item 2.7.2 – Material Agreements of Prevtec.

“**Prevtec Subscription Agreement**” means the subscription agreement to be entered into between the Corporation and Prevtec upon the closing of each tranche of the Offering, pursuant to which: (i) the Corporation will use the gross proceeds from the tranche of the Offering to subscribe for Prevtec Bonds in an amount corresponding to the aggregate number of Bonds purchased by Subscribers thereunder; and (ii) Prevtec will pay to the Corporation the Administrative Fee. See Item 2.7 – Material Agreements.

“**R&D**” means research and development.

“**Regulations**” mean the regulations under the Tax Act.

“**RESP**” means Registered Education Savings Plan as defined under the Tax Act.

“**RRIF**” means Registered Retirement Income Fund as defined under the Tax Act.

“**RRSP**” means Registered Retirement Savings Plan as defined under the Tax Act.

“**Series A Bonds**” mean the 8% fixed rate, secured bonds of the Corporation offered hereunder, with interest payable on a quarterly basis and a bonus equal to 10% of the principal amount payable to the holder upon the earlier of redemption by the Corporation and the Maturity Date, subject to acceleration provisions upon the occurrence of an event of default.

“**Series B Bonds**” mean the 8% fixed rate, secured bonds of the Corporation offered hereunder, with interest capitalized on a quarterly basis and repayable with a bonus equal to 10% of the principal amount upon the earlier of redemption by the Corporation and the Maturity Date, subject to acceleration provisions upon the occurrence of an event of default.

“**Series A Prevtec Bonds**” mean the 8% fixed rate, secured bonds of Prevtec to be purchased by the Corporation to finance the Business, which shall entitle the Corporation to interest payable on a quarterly basis and a bonus equal to 10% of the principal amount payable upon the earlier of redemption by Prevtec and the Maturity Date, subject to acceleration provisions upon the occurrence of an event of default.

“**Series B Prevtec Bonds**” mean the 8% fixed rate, secured bonds of Prevtec to be purchased by the Corporation to finance the Business, which shall entitle the Corporation to interest capitalized on a quarterly basis and repayable with a bonus equal to 10% of the principal amount upon the earlier of redemption by Prevtec and the Maturity Date, subject to acceleration provisions upon the occurrence of an event of default.

“**Subscribers**” mean parties who subscribe for Bonds under the Offering.

“**Subscription Agreement**” means the subscription agreement to be entered into between a Subscriber and the Corporation in respect of the purchase of Bonds by a Subscriber under the Offering.

“**Target**” means Target Capital Inc., a publicly traded company listed on the TSX Venture Exchange and the Canadian Securities Exchange, trading under the symbol “TCI”, which holds 6,000 Class A Shares, representing 60% of the issued and outstanding Class A Shares of the Corporation.

“**Target Agreement**” means the agreement between the Corporation and Target, dated January 14, 2017, as more particularly described under Item 2.6 hereof.

“**Target Release**” means the release to be executed by each Subscriber to this Offering in favour of Target as more particularly described under Item 2.6 hereof.

“**Target Shares**” mean the 6,000 Class A Shares of the Corporation held by Target as of the date of this Offering Memorandum.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TFSA**” means Tax-Free Savings Account as defined by the Tax Act.

“**Trustee**” means Mr. Paul N. Kamateros, CPA.

“**Whitehaven**” means Whitehaven Securities Inc., a registered exempt market dealer in the provinces of Quebec, Ontario, Alberta, and British Columbia and an anticipated selling agent under the Offering.

In this Offering Memorandum, references to “dollars” and \$ are to the lawful currency of Canada, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains “forward-looking” statements. Forward-looking statements reflect the Corporation’s current views with respect to, among other things, future events and performance. The Corporation generally identifies forward-looking statements by words such as “anticipate,” “estimate,” “expect,” “intend,” “project,” “plan,” “predict,” “believe,” “seek,” “continue,” “outlook,” “may,” “might,” “will,” “should,” “can have,” “likely” or the negative version of these words or comparable words or by using future dates in connection with any discussion of future performance, actions or events. Forward-looking statements are based on beliefs and assumptions made by management of the Corporation using currently available information.

These statements are not guarantees of future performance, actions or events. In particular, forward-looking statements include statements relating to future actions, business plans or prospects, prospective products, product approvals or products under development, R&D costs, timing and likelihood of success, future operating or financial performance, future results of current and anticipated products and services, strategies, sales efforts, expenses, production efficiencies, production margins, interest rates, foreign exchange rates, growth in emerging markets, the outcome of contingencies, such as the Offering, legal proceedings, Prevtect’s material agreements, government regulation, and financial results. Forward-looking statements are subject to risks and uncertainties, many of which are beyond the Corporation’s control, and potentially inaccurate assumptions. These risks and uncertainties include those set forth under Item 8 - Risk Factors. However, there may also be other risks that the Corporation is unable to predict at this time. If one or more of these risks or uncertainties materialize, or if management’s underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Subscribers should not put undue reliance on forward-looking statements. Forward-looking statements speak only as of the date on which they are made. The Corporation expressly disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

ITEM 1. USE OF AVAILABLE FUNDS

1.1 Funds

The following table provides the general allotment of funds available to the Corporation assuming completion of the Minimum Offering and the Maximum Offering:

| | | Assuming Minimum Offering | Assuming Maximum Offering |
|----|--|---------------------------|---------------------------|
| A. | Amount to be raised | \$1,000,000 | \$7,000,000 |
| B. | Selling commissions and fees ⁽¹⁾ | \$80,000 | \$560,000 |
| C. | Estimated costs (lawyers, accountants, auditors) | \$59,000 | \$125,000 |
| D. | Available funds: $D = A - (B + C)$ | \$861,000 | \$6,315,000 |
| E. | Additional sources of funding required | \$141,500 ⁽²⁾ | \$717,500 ⁽²⁾ |
| F. | Total : $F = D + E$ | \$1,002,500 | \$7,032,500 |

Notes:

- (1) The Corporation shall offer as compensation to selling agents up to 8% of the gross proceeds realized on the sale of Bonds. See Item 7 – Compensation Paid to Sellers and Finders.
- (2) Pursuant to the terms and conditions of the Prevttec Subscription Agreements, Prevttec shall pay Administrative Fees to the Corporation, equal to the total amount of selling commissions, offering costs, Target Fees, and other fees payable by the Corporation in connection with the closing of each tranche of the Offering and thereafter, upon completion of the Offering, equal to the operating costs and other reasonable fees payable by the Corporation from time to time until the Maturity Date.

As of the date of this Offering Memorandum, the Corporation has no working capital deficiency.

1.2 Use of Available Funds

1.2.1 Use of Available Funds by the Corporation

The following table provides a detailed breakdown of the total use of funds available as a result of the Offering by the Corporation:

| Description of intended use of available funds listed in order of priority | Assuming Minimum Offering | Assuming Maximum Offering |
|--|---------------------------|---------------------------|
| Annual Fee ⁽¹⁾⁽²⁾ | \$2,500 | \$17,500 |
| Capital Raising Fee ⁽¹⁾⁽²⁾ | nil | \$15,000 |
| Prevttec Bonds to be purchased by the Corporation to finance the Business ⁽³⁾ | \$1,000,000 | \$7,000,000 |
| Total: | \$1,002,500 | \$7,032,500 |

Notes:

- (1) Assumes 50% of the aggregate gross proceeds of the Offering are raised with Deferred Plan Capital and that the Annual Fee will be paid by the Corporation for one year.
- (2) Excludes applicable sales taxes (5% GST and 9.975% QST) payable under the Target Agreement.
- (3) See Item 8 – Risk Factors.

After payment of all fees, including without limitation, the Annual Fee and Capital Raising Fee payable by the Corporation to Target Capital Inc. (“**Target**”) and payment of all costs incurred by the Corporation with respect to the Offering, the Corporation intends to use the proceeds of the Offering to finance the Business of Prevttec, which is

the development and commercialization of animal health products that serve as alternatives to antibiotics and offer sustainable solutions to improve animal health, production performance, and food safety. See Item 2.2 – Business.

Target Agreement

Pursuant to an agreement between the Corporation and Target signed on January 14, 2017 (the “**Target Agreement**”), the Corporation has undertaken to pay to Target an annual fee (“**Annual Fee**”) in an amount equal to: (i) \$2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital outstanding on the last day of the month that the anniversary of the Target Agreement falls in that is in excess of \$500,000; plus (iii) applicable taxes. The capital associated with tax deferred plans means capital of any kind raised by the Corporation from an RRSP, RRIF, RESP or TFSA pursuant to the Offering (“**Deferred Plan Capital**”). The Corporation shall also pay to Target a capital raising fee (“**Capital Raising Fee**”) in an amount equal to one-half of one percent (being 0.5%), plus applicable taxes, of the Deferred Plan Capital raised by the Corporation in excess of \$500,000 (Annual Fee and Capital Raising Fee are collectively referred to as the “**Target Fees**”).

Target controls 60% of the Corporation’s voting rights. Pursuant to the Target Agreement, the purpose of Target’s control of, and interest in, the Corporation is to earn the Annual Fee and Capital Raising Fees and not to participate in the profits of the Corporation. See Item 2.1 – Structure.

A tax deferred plan is defined herein as a Registered Education Savings Plan (“**RESP**”), a registered retirement income fund (“**RRIF**”), a registered retirement savings plan (“**RRSP**”) and a tax free savings account (“**TFSA**”), each as defined under the *Income Tax Act* (Canada) (the “**Act**”). In connection with the Offering, assuming that 50% of the amount of the Minimum Offering is raised with Deferred Plan Capital, the Annual Fee would total \$2,500, plus applicable taxes, and no Capital Raising Fee would be payable to Target. Assuming that 50% of the amount of the Maximum Offering is raised with Deferred Plan Capital, the Annual Fee would total \$17,500, plus applicable taxes, and the Capital Raising Fee would total \$15,000, plus applicable taxes to be paid to Target.

The foregoing represents the Corporation’s best estimate of the allocations of the Available Funds based on its present plans and business conditions. However, there is no assurance that unforeseen events or changes in business conditions will not result in the application of Available Funds in a manner other than is described in this Offering Memorandum.

1.2.2 Use of Proceeds by Prevtect

The following table provides a detailed breakdown of the anticipated use of proceeds by Prevtect from the sale of the Prevtect Bonds to the Corporation:

| Description of intended use of available funds listed in order of priority | Assuming Minimum Offering | Assuming Maximum Offering |
|--|---------------------------|---------------------------|
| Research and related costs to support an additional claim on the benefits of Coliprotec F4/F18 Europe in treating oedema disease | \$400,000 | \$400,000 |
| Development of a feed additive | \$450,000 | \$1,400,000 |
| Business development | \$150,000 | \$200,000 |
| Reimbursement of loan from Elanco ⁽¹⁾ | nil | \$1,500,000 |
| Reimbursement of convertible loan from PIH Pharma Industry Holding GmbH ⁽¹⁾ | nil | \$3,500,000 |
| Total: | \$1,000,000 | \$7,000,000 |

Notes:

(1) See Item 2.7.2 – Material Agreements of Prevtect.

1.3 Reallocation

The Corporation intends to use the available funds as stated under Item 1.2.1 – Use of Available Funds by the Corporation.

Prevtec intends to use the proceeds from the sale of the Prevtec Bonds to pursue the objectives set out under Item 1.2.2 – Use of Proceeds by Prevtec. Prevtec will reallocate funds only for sound commercial and strategic reasons. Unforeseen events or changes in business conditions may result in the application of the proceeds in a different manner than is described in this Offering Memorandum. There may be circumstances where for sound business reasons, a reallocation of funds is necessary in order for Prevtec to achieve its stated business objectives.

ITEM 2. BUSINESS

2.1 Structure

2.1.1 Structure of the Corporation

The Corporation was incorporated on January 13, 2017 under the *Business Corporations Act* (Quebec). Its head office is located at 1100 René-Lévesque Blvd. West, Montreal, Quebec, H3B 5C9.

The Corporation is controlled by Target, a public corporation listed on the TSX Venture Exchange and the Canadian Securities Exchange trading under the symbol “TCI”. Target owns 60% of the issued and outstanding Class A Shares of the Corporation. See Item 3.1 - Compensation and Securities Held.

Voting control of the Corporation by Target ensures that the Bonds issued by the Corporation pursuant to the present Offering qualify as Tax Deferred Investments. The purpose of Target’s control of, and interest in, the Corporation is to earn financing fees and not to participate in the profits of the Corporation pursuant to the Target Agreement. Specifically:

- (a) Target’s Class A Shares in the Corporation are non-participating; they are not entitled to dividends;
- (b) The Target Agreement states that Target cannot acquire any additional Class A Shares of the Corporation without the approval of a majority of the minority shareholders of the Corporation;
- (c) Target cannot increase the Annual Fee or the Capital Raising Fee without the approval of a majority of the minority shareholders of the Corporation;
- (d) Target will not sell its Class A Shares of the Corporation while the Target Agreement is in force and will, at the termination of the Target Agreement, return all of its shares to the treasury of the Corporation for a consideration of \$60; and
- (e) Target will not benefit from its position as shareholder except as described in the Target Agreement, and should it receive any benefit in addition to the Target Fees, then the benefit will be returned to the Corporation for a consideration of ten dollars (\$10).

Target’s assets and its management are in no way committed to the activities of the Corporation. Target has not performed any due diligence on the Corporation, its assets or its management and neither encourages nor discourages an investment in the Corporation.

The Subscription Agreement to be signed by Subscribers contains a specific acknowledgement by Subscribers acknowledging that Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued pursuant to the present Offering. Furthermore, by signing the Subscription Agreement, Subscribers are agreeing therein that Target shall not be liable to Subscribers for any liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment, including any default by the Corporation in the payment of interest on and/or repayment of the principal of the Bonds issued by the Corporation pursuant to the present Offering.

As a term of this Offering, Subscribers are required to grant Target a specific release in the form attached as a Schedule to the Subscription Agreement (the “**Target Release**”). Pursuant to the terms of the Target Release, the Subscriber will acknowledge that:

- (a) Target’s assets and management are not in any way committed to the activities of the Corporation. Further, the Subscriber acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation;
- (b) Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued under this Offering;
- (c) Target shall not be liable to Subscribers for any liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Bonds issued pursuant to this Offering; and
- (d) the Subscriber will release and forever discharge Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands, or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Subscriber’s investment in the Bonds of the Corporation or the acquisition of the Bonds from the Corporation.

All Subscribers are encouraged to seek independent legal advice before executing and delivering the Target Release.

For additional information with respect to Target, please see www.sedar.com.

9278-7381 Quebec Inc., the Minority Shareholder of the Corporation indirectly controlled by Mr. Dany Bergeron, holds 4,000 Class A Shares and 100 Class B Shares, representing 40% of the issued and outstanding Class A Shares and 100% of the Class B Shares of the Corporation.

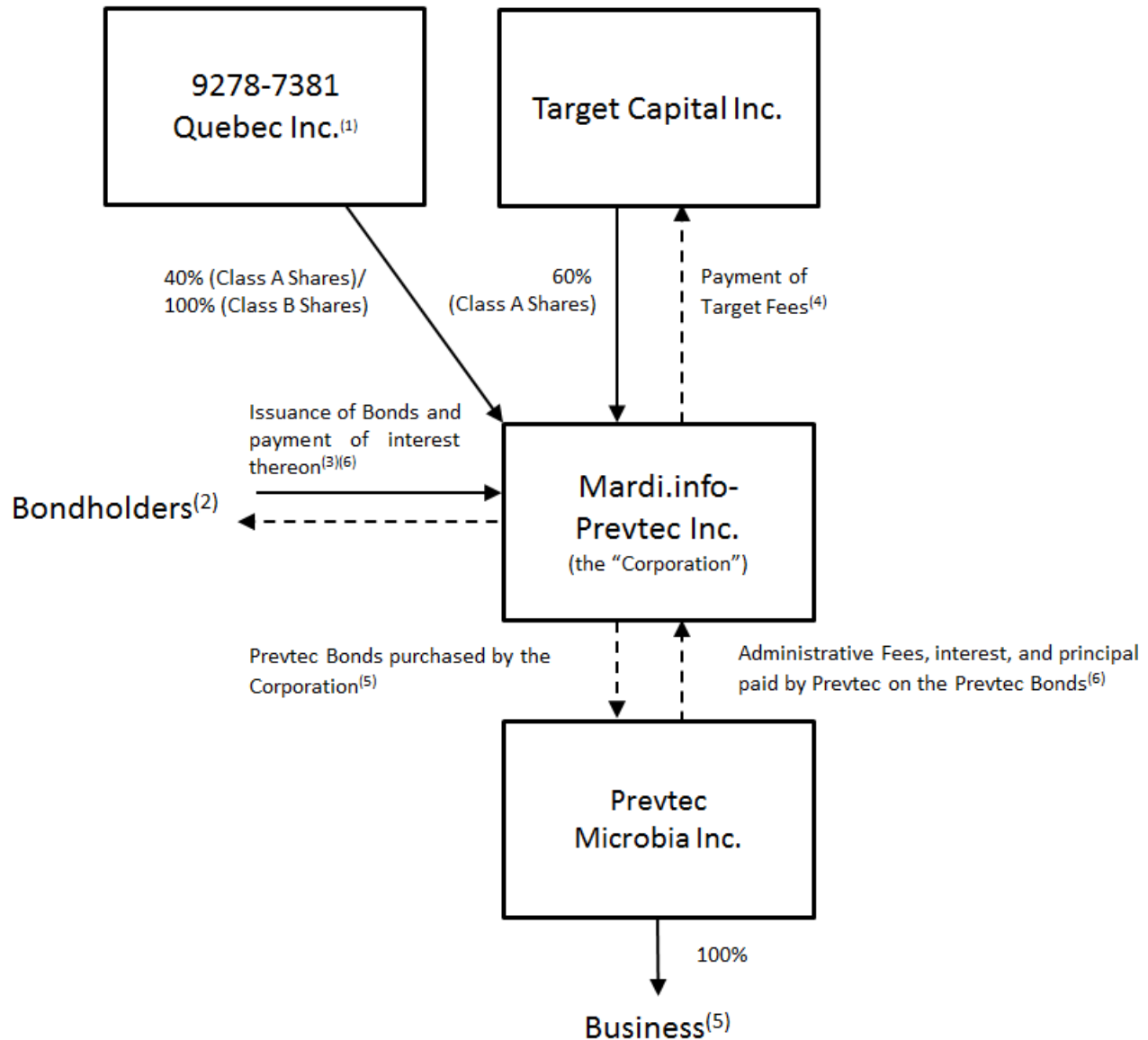
Mr. Bergeron, the sole director and officer of the Corporation and the sole indirect beneficial shareholder of the Minority Shareholder of the Corporation, is also a dealing representative of Whitehaven Securities Inc. (“Whitehaven”), which may act as a selling agent under the Offering. As such, the Corporation could be considered a “connected issuer” of Whitehaven and/or Mr. Bergeron under the securities legislation of certain Canadian provinces and territories.

2.1.2 Structure of Prevttec

Prevttec was incorporated on June 19, 2003 under the *Business Corporations Act* (Quebec). Its head office is located at the World Trade Centre Montreal at 393 Saint-Jacques Street West, Montreal, Quebec, H2Y 1N9. The company has a research and operations center in Saint-Hyacinthe, Quebec and has three subsidiaries in other countries: (i) Prevttec Microbia GmbH in Munich, Germany to cover the European market; (ii) Prevttec Microbia do Brasil Comercio de Productos Veterinarios Ltda in Toledo, Brazil to cover the Latin American market; and (iii) Prevttec Microbia HK Limited in Hong Kong, China to develop the Asian markets.

2.1.3 Corporate Organization and Investment Flow Chart

The following organizational diagram and accompanying notes describes the corporate structure and economic model underlying the Offering and provides an overview of the key transactions between the Bondholders, the Corporation, Prevetec, and Target.



Notes:

- (1) 9278-7381 Quebec Inc., the Minority Shareholder of the Corporation, is indirectly controlled by Mr. Dany Bergeron, the sole officer and director of the Corporation. Mr. Bergeron is also a dealing representative of Whitehaven, which may act as a selling agent under the Offering. Mr. Bergeron and/or Whitehaven may receive a selling commission equal to up to eight percent (8%) of the gross proceeds realized on the sale of Bonds under the Offering. As such, the Corporation could be considered a "connected issuer" of Whitehaven and/or Mr. Bergeron under the securities legislation of certain Canadian provinces and territories.
- (2) Subscribers purchase Bonds from the Corporation with funds from Deferred Plans or cash.
- (3) The Corporation issues Bonds to the Subscribers and pays interest on the Bonds. See Item 5.1 – Terms of Securities.
- (4) The Corporation will use the Administrative Fees collected from Prevetec under the Prevetec Subscription Agreements to pay the Annual Fee and Capital Raising Fee to Target. See Item 1.2 – Use of Available Funds and Item 2.7 – Material Agreements.
- (5) The Corporation will purchase Prevetec Bonds upon the closing of each tranche of the Offering using the proceeds therefrom and Prevetec will use the proceeds to finance its Business. See Item 2.2 – Business.

- (6) Prevtex pays Administrative Fees and interest to the Corporation and redeems the Prevtex Bonds as they become due, while the Corporation in turn uses such funds to pay interest to the Bondholders and to repay the principal to the Bondholders on the Maturity Date or earlier upon redemption by the Corporation. See Item 5.1 – Terms of Securities.

2.2 Business

2.2.1 Business of the Corporation

The Corporation was incorporated to conduct the Offering and to purchase Prevtex Bonds upon the closing of each tranche of the Offering using the proceeds therefrom in order to finance the Business.

2.2.2 Business of Prevtex

Prevtex is a Canadian biotech company that carries on business in the development and commercialization of vaccines and other technologies that improve animal health, production performance, and food safety.

Prevtex's first products on the market are a family of live vaccines that provide immunity to two diseases found in swine caused by *Escherichia Coli*: post-weaning diarrhea and oedema disease. Prevtex currently has products approved for sale in Canada, all the 28 countries of the European Union, as well as in Brazil and Russia. The company is actively seeking marketing approvals in various other jurisdictions.

Prevtex also has a portfolio of products under various stages of development, including an organic feed additive for swine and other innovative technologies designed to be used as alternatives to antibiotics.

The Animal Health Industry

According to Vetnosis, a research and consulting firm specialized in global animal health and veterinary medicine, the global animal health market is already valued at USD\$24-billion and is expected to enjoy a continual annual growth rate of 3% to 2020.¹

Other significant trends in the animal health industry include the following:

- Commercial animal products make up 59% of the animal health market, while companion animals such as pets account for the remaining 41%.²
- Customers in this market are predominantly located in the West, where 47% of the market is based in the Americas, 31% in Europe, and 23% in rest of the world; however, demand for animal products in Asia Pacific countries is anticipated to rise significantly.³
- Animal health pharmaceuticals take up the largest share of the market in value (61%), followed by organic products (26%) and medicinal feed additives (12%). Demand for organic products is growing at the expense of the pharmaceuticals.⁴

The seven largest companies in the industry each had over a billion dollar in sales in 2015 and collectively represent more than 85% of the market. The companies are Zoetis, Merck, Elanco, Boehringer Ingelheim (acquiring Merial), Bayer, Virbac, and Ceva.⁵

Prevtex's sales strategy is focused on the largest segment of the industry: products for commercial animals in the Americas and Europe. Prevtex is of the view that Europe offers the greatest potential for sales growth over the near-

¹ "Storm Forecasts," *Vetnosis Limited* (June 2016) online: <http://vetnosis.com/pdfs/STORM_2016_web.pdf>.

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ "Top 10 animal health companies of 2016," *FiercePharma* (July 2016) online: <<http://www.fiercepharma.com/special-report/top-animal-health-companies-2015>>.

term as a result of the size of the market and its more stringent regulatory environment that constrains the use of antibiotics in animal farming. The company, however, is also planning to expand its sales and operations in Asian markets.

Issues With Use of Antibiotics

One of the most important issues currently facing the animal health industry is the increased pressure to reduce the usage of antibiotics and replace them with safer, healthier, more sustainable solutions, such as vaccines and other organic products.

Antibiotics are a useful and efficient way to treat diseases in humans and animals alike. However, in animal production, antibiotics are often used in huge quantities for purposes other than the treatment of diseases (mostly as growth enhancers). Scientists are worried that antibiotics may become inefficient due to malignant bacteria becoming resistant to them, a phenomenon known as antibiotic resistance. There is concern that current use of antibiotics in animal production may contribute to this phenomenon. Customer pressure and new government regulations are pressing animal producers to change their methods and look for alternatives to antibiotics.

Prevtec's products have been developed as alternatives to antibiotics.

Products

Prevtec's flagship product, Coliprotec®F4, is an innovative vaccine stemming from research conducted at the Reference Laboratory for Escherichia coli, part of Université de Montréal's Faculty of Veterinary Medicine. It was first marketed in Canada in 2008 and is now registered in the European Union, Brazil, Russia and Kazakhstan.

Coliprotec®F4 acts as an aid to preventing post-weaning diarrhea (PWD), a disease caused by E. Coli that poses a serious threat to the swine production industry. PWD occurs worldwide and is a common cause of mortality and significant growth delays in piglets. Studies of PWD-related mortality, growth delays and treatment costs have shown that the economic impact for producers ranges from USD \$3.13 to USD \$5.88 per pig, which is a significant portion of a pig's value and has a considerable effect on a swine operation's profitability.

The Coliprotec® family of vaccines also includes two other products. Coliprotec®F18, which targets another strain of E. Coli which may cause both PWD and oedema disease, another fatal disease in pig production, is currently on sale in Canada and the company has no plan for the moment to register it in other jurisdictions. However, the technology for that vaccine is also used in Coliprotec®F4/18, a combined vaccine which received marketing authorization in the European Union on January 10, 2017. Coliprotec®F4/18 is currently on sale in France and in Spain and Prevtec plans to launch the product in other countries of European Union during the first half of 2017.

Prevtec is actively developing a feed additive that could be used as a replacement for antibiotics in animal feeding. The product is still in the development phase and not yet ready for seeking marketing approval. Results of on-going studies tend to indicate that this feed additive could bring benefits similar to those expected through the use of antibiotics in terms of production performance, while offering an healthier solution. Several further studies have to be performed to optimize the formulation, scale-up the production process and test the applicability in species other than swine, before a marketing approval can be sought after.

The company also has a portfolio of animal health technologies at various stages of development, among which a technology aimed at a frequent respiratory disease in swine, an avian flu vaccine, and others.

Business Model

Prevtec has chosen a business platform that allows it to take a scientific discovery all the way through to commercialization, by teaming up with external partners and coordinating the research, development, approval and manufacturing stages while retaining the intellectual property rights associated with the discovery.

This approach helps reduce the risks inherent in new product development by minimizing the company's organizational structure. The company currently has about 20 employees on staff in Montreal and Saint-Hyacinthe, 2

representatives in Europe, and regular consultants in Canada, the US, Europe, Brazil and Asia. The company also has a contract with Klifovet AG, which oversees the EU regulatory process for Prevttec, including the required animal studies. Klifovet AG was named best contract research organization (CRO) in 2015 by Animal Pharm.

Prevttec's products are manufactured in Spain by CZ Veterinaria S.A., and in the United States by Diamond Animal Health, a subsidiary of Heska Corporation, both acting as contract manufacturing organisations (CMO) for Prevttec.

The company's products are currently distributed in Canada and the European Union by Elanco, a subsidiary of Eli Lilly and the third largest animal health company in the world, with sales over USD\$3-billion. Prevttec is in discussions with other leading international or regional animal health companies to distribute its products in other markets.

The company's business model and achievements have allowed it to earn several distinguished awards in its industry, including:

- Animal Pharm Award for best new product – Food animals (2015)
- Gold Leaf Award from BIOTEC Canada for Emerging company of the year – Agriculture/Industrial (2015)
- Prix Innovation Produit (2015) and Prix Innovation – Coup de Coeur (2008), both from ADRIQ
- Genesis Innovation Award (2012) and Genesis Transfer – Emergence Award (2008), both from BIOQuébec

Competition

Prevttec does not distribute its own products and instead acts as a supplier to large animal health companies that have vast distribution networks. Since Prevttec's distribution agreements are exclusive, only one leading company has the right to distribute the company's products in a given market. The distributor then competes with other distributors of animal health products within that market.

As Prevttec's products serve as alternatives to antibiotics, Prevttec's most obvious competitors are manufacturers of antibiotics for food animals. There is a marked trend to replace antibiotics in animal production by safer, healthier and more sustainable products. Legislative and regulatory measures have been applied in several countries to better regulate antibiotics in order to reduce or even prohibit their use in food animals. However, as with most significant changes, the process is slow and considerable education is required to encourage producers to make the shift to more sustainable solutions.

Prevttec's Coliprotec®F4 and Coliprotec®F4/18 are the only vaccines licensed in the European Union for the active immunization of pigs against the E. coli bacteria responsible for post-weaning diarrhea. In the United States and Canada, a US company is marketing vaccines against F4 and F18 PWD. In Canada and in Europe, a German company is marketing a vaccine against F18 oedema disease. The sales of these products are small in comparison to the sales forecast of the Coliprotec® products. A number of other products are marketed to improve animal health in a general way, some of which claim that they may have an effect on swine gut health and, incidentally on PWD.

2.3 Development of Business

2.3.1 Development of the Business of the Corporation

The Corporation was incorporated on January 13, 2017 to conduct the Offering and to purchase Prevttec Bonds upon the closing of each tranche of the Offering using the proceeds therefrom in order to finance the Business. Since incorporation, the Corporation has been primarily engaged in preparing for the Offering and has no other operating history.

2.3.2 Development of the Business of Prevttec

The most significant development for Prevttec's Business over the past two years was the introduction of its products on the European market. Gaining marketing approval for an animal health product in Europe is a lengthy and costly process, which was completed in 2015, after several years of development.

On March 24, 2015, Prevttec obtained a marketing authorization for Coliprotec®F4 in Europe, through its wholly-owned subsidiary Prevttec Microbia GmbH. The product was launched in several phases during the summer and fall of 2015. Prevttec's revenues grew from \$597,000 in 2014 to \$1,540,000 for 2016.

Sales of Coliprotec®F4 are expected to continue to rise in Europe, as the market is further developed by Elanco. They will soon be completed by sales of the combined vaccine Coliprotec®F4/F18, when the product is launched in the first half of 2017.

On January 10, 2017, the European Commission granted a marketing authorization for Prevttec's veterinary medicinal product Coliprotec®F4/F18.

2.4 Long Term Objectives

2.4.1 Long Term Objectives of the Corporation

The long term investment objective of the Corporation is to complete the Maximum Offering and generate interest income by purchasing Prevttec Bonds upon the closing of each tranche of the Offering using the proceeds therefrom.

2.4.2 Long Term Objective of Prevttec

Prevttec's long term objectives are to continue the development and commercialization animal health products as alternatives to antibiotics and to offer sustainable solutions that improve animal health, production performance, and food safety.

Prevttec's specific long term objectives over the next five years are as follows:

1. Increase market penetration and usage rate of Coliprotec®F4 and Coliprotec®F18 in Europe.
2. Introduce Coliprotec®F4 and/or Coliprotec®F4/F18 in other target markets (at least one other major market).
3. Have between 10% and 15% of all pigs in its target markets use a Coliprotec® product.
4. Obtain marketing authorization for a new feed additive in major target markets (Europe certainly, and others depending on further market studies and partner negotiations).
5. Obtain a serious proof of concept for at least one other technology or product.
6. Seek an exit for investors in the company who wish to liquidate their investment.

2.5 Short Term Objectives

2.5.1 Short Term Objectives of the Corporation and How It Intends to Achieve Them

The Corporation's objectives for the 12 months following the date of this Offering Memorandum are as follows:

| What we must do and how we will do it | Target completion date or, if not known, number of months to complete | Our cost to complete |
|---|--|-----------------------------|
| Raise the Minimum Offering and purchase Prevttec Bonds using the proceeds therefrom in order to finance the Business. | On or about October 31, 2017 | \$1,000,000 ⁽¹⁾ |

Notes:

- (1) Includes the purchase price of the Prevttec Bonds, estimated Offering costs, selling commissions, and Target Fees payable from the proceeds of the Minimum Offering, less the amount of Administrative Fees payable to the Corporation by Prevttec. See Item 1 – Use of Available Funds and Item 7 – Compensation Paid to Sellers and Finders.

2.5.2 Short Term Objectives of Prevttec and How It Intends to Achieve Them

Prevttec's objectives for the 12 months following the date of this Offering Memorandum are as follows:

| What Prevttec must do and how it will do it | Target completion date or, if not known, number of months to complete | Prevttec's cost to complete |
|---|--|------------------------------------|
| Launch of Coliprotec©F4/F18 in Europe | April 2017 | \$500,000 |
| Complete research to support an additional claim on the benefits of Coliprotec F4/F18 Europe in treating oedema disease | January 2018 | \$400,000 |
| Development of biological feed additive | Ongoing | \$450,000 |

2.6 Insufficient Funds

The Corporation does not anticipate requiring additional funds to pursue its business objectives; however, it is anticipated that Prevttec will require additional sources of funding beyond the subscription price of the \$1,000,000 aggregate principal amount of Prevttec Bonds to be purchased by the Corporation upon completion of the Minimum Offering. Closings shall occur from time to time during the course of the Offering.

Prevttec expects to conduct a separate debt or equity financing for gross proceeds of approximately \$2,500,000 in addition to the proceeds from the sale of the Prevttec Bonds pursuant to the Prevttec Subscription Agreements; however, there is no assurance that such alternative financing will be available on acceptable terms or at all. There is no assurance that the Corporation or Prevttec will have adequate working capital to meet the anticipated requirements described in this Offering Memorandum. See Item 8 - Risk Factors.

2.7 Material Agreements

Deeds of Hypothec

The Bonds to be issued under the Offering shall be secured by the Deeds of Hypothec. A Deed of Hypothec shall be entered into, in advance of the closing of each tranche of the Offering, between the Corporation, as grantor, and the Trustee, in its capacity as hypothecary representative (i.e., *fondé de pouvoir*) within the meaning of Article 2692 of the *Civil Code of Québec* for the holders of Bonds to be issued under the tranche of the Offering, which shall provide

for, *inter alia*, a movable hypothec in favour of the Trustee, as hypothecary representative, in an amount equal to the aggregate gross proceeds of the tranche of the Offering (or such greater amount that the Corporation may agree upon), with interest thereon at the rate of 25% per annum, charging as a universality, all corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, then owned or thereafter acquired by the Corporation.

Pursuant to the terms and conditions of the Deeds of Hypothec, each of the Bonds shall rank equally, and be equally and ratably secured, notwithstanding the date of their issuance.

Prevtec Subscription Agreements

Upon the closing of each tranche of the Offering, the Corporation and Prevtec shall enter into a subscription agreement pursuant to which the Corporation will finance the Business by using the gross proceeds from the closing to subscribe for Series A Prevtec Bonds and/or Series B Prevtec Bonds in amounts corresponding to the aggregate number of Series A Bonds and Series B Bonds purchased by Subscribers under the closing.

Pursuant to the terms and conditions of the Prevtec Subscription Agreements, Prevtec shall pay an Administrative Fee to the Corporation upon the closing of each tranche of the Offering equal to the Offering costs, selling commissions, and Target Fees payable by the Corporation in connection with the closing. Upon completion of the Offering, Prevtec shall continue to pay Administrative Fees to the Corporation equal to the operating costs and other reasonable fees payable by the Corporation from time to time until the Maturity Date.

The Series A Prevtec Bonds shall mature on December 31, 2021 (the “**Maturity Date**”), bear interest at an annual fixed rate of eight percent (8%), payable on a quarterly basis on March 31st, June 30th, September 30th, and December 31st of each year and shall entitle the Corporation to a bonus equal to 10% of the principal amount upon the earlier of redemption by Prevtec and the Maturity Date.

The Series B Prevtec Bonds shall mature on the Maturity Date, bear interest at an annual fixed rate of eight percent (8%), with interest capitalized on a quarterly basis on March 31st, June 30th, September 30th, and December 31st of each year and repayable with a bonus equal to 10% of the principal amount upon the earlier of redemption by Prevtec and the Maturity Date.

Prevtec Deeds of Hypothec

The Prevtec Bonds to be purchased by the Corporation with the proceeds of the Offering in order to fund the Business shall be secured by the Prevtec Deeds of Hypothec. A Prevtec Deed of Hypothec shall be entered into, in advance of the closing of each purchase of Prevtec Bonds by the Corporation, between Prevtec, as grantor, and the Corporation, as creditor and hypothecary representative (i.e., *fondé de pouvoir*), which shall provide for, *inter alia*, a movable hypothec in favour of the Corporation in an amount equal to the aggregate principal amount of the Prevtec Bonds purchased by the Corporation under the closing (or such greater amount that Prevtec may agree upon), with interest thereon at the rate of 25% per annum, subordinated in rank to any existing and future hypothecs granted by Prevtec to other creditors to the extent of up to \$10,000,000, on an aggregate basis, plus accrued interests, and charging as a universality, all corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, then owned or thereafter acquired by Prevtec.

Pursuant to the terms and conditions of the Prevtec Deeds of Hypothec, the Corporation shall undertake, at any time and from time to time at the written request and at the expense of Prevtec, to execute such agreements, documents and instruments as may be in the opinion of Prevtec, acting reasonably, necessary or advisable to confirm the subordination of the hypothec.

2.7.1 Material Agreements of the Corporation

Target Agreement

The Corporation entered into the Target Agreement on January 14, 2017. The material terms of this Agreement are as follows:

- (a) The Corporation shall pay to Target:
 - (i) the Annual Fee on the date of the Target Agreement and on each anniversary date of the Target Agreement; plus
 - (ii) a Capital Raising Fee whenever the Corporation raises Deferred Plan Capital. Notwithstanding the preceding sentence, the Corporation shall not be required to pay any Capital Raising Fee until its total Deferred Plan Capital raised exceeds \$500,000.
- (b) **Access to Records.** If requested, the Corporation shall promptly provide Target with copies of all corporate records.
- (c) **Target Release/Required Disclosure.** The Corporation shall attach the Target Release to all Offering Documents used by the Corporation in the distribution of its securities and shall include the Required Disclosure in all such Offering Documents. The Corporation shall not sell any of its securities to any party unless such subscriber has executed and delivered an original copy of the Target Release to the Corporation. The Corporation shall promptly provide Target with the original copies of all such signed Target Releases.
- (d) **Indemnity.** The Corporation has agreed to indemnify and save harmless Target and its directors, officers and employees from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising out of or in connection with the Target Agreement or Target's shareholdings in the Corporation. The indemnity shall survive the expiry or termination of the Target Agreement.
- (e) **Term.** The Target Agreement shall be in effect from the date of that Agreement until the date on which Target ceases to be the majority shareholder of the Corporation. Notwithstanding the above, if the Target Agreement shall be terminated prior to the date that is two (2) years from the date of the Target Agreement, the Corporation covenants and agrees to pay Target any Annual Fees and Capital Raising Fees that would have otherwise been payable had Target remained the majority shareholder of the Corporation for two (2) years.
- (f) **Termination by the Corporation.** Subject to the two year minimum payment obligations set out in sub-paragraph (e) above and the survival of the indemnity set out in sub-paragraph (d) above, the Corporation may terminate the Target Agreement by providing Target with 90 days' written notice.
- (g) **Termination by Target.** In the event of a Material Breach of the Target Agreement by the Corporation, such as failure to pay any Annual Fees or Capital Raising Fees within 60 days of invoicing, Target shall be entitled to immediately terminate the Target Agreement by providing written notice of such termination to the Corporation. Upon termination of the Target Agreement by Target, the Target Shares shall be deemed transferred to the Corporation in exchange for \$1.00 per share.

2.7.2 Material Agreements of Prevttec

Prevttec has entered into the following material agreements:

1. Distribution and License Agreement dated November 29, 2012 between Eli Lilly Export S.A. and Prevttec, by which Elanco (a division of Eli Lilly) is appointed exclusive distributor of Coliprotec© in the European

Union and providing for a non-interest bearing loan from Elanco to Prevttec in the amount of US\$1,000,000;

2. Distribution and License Agreement dated May 22, 2013 between Elanco Animal Health Canada and Prevttec, by which Elanco is appointed exclusive distributor of Coliprotec© in Canada;
3. Contract Manufacturing Agreement effective as of December 10, 2010 between CZ Veterinaria SA and Prevttec, by which CZ Veterinaria SA is appointed contract manufacturer of Coliprotec©F4 in Europe;
4. Contract Manufacturing Agreement effective as of March 19, 2013 between CZ Veterinaria SA and Prevttec, by which CZ Veterinaria SA is appointed contract manufacturer of Coliprotec©F4/F18 in Europe;
5. Contract Manufacturing Agreement effective as of September 26, 2012 between Diamond Animal Health and Prevttec, by which Diamond Animal Health is appointed contract manufacturer of Coliprotec© for the United States and Canada;
6. Service and License Agreement dated September 15, 2014 between Prevttec GmbH and Prevttec, by which Prevttec GmbH (a wholly-owned subsidiary of Prevttec) acts as the marketing authorization holder of Coliprotec© in the European Union;
7. Loan Agreement dated August 24, 2016 between Finalta Capital CII-ITC inc. and Prevttec, by which Finalta Capital CII-ITC finances the company R&D tax credits;
8. Convertible Loan Agreement dated March 5, 2015 between PIH Pharma Industry Holding GmbH and Prevttec, by which PIH Pharma Industry Holding GmbH lent a sum of \$3,000,000 to Prevttec, maturing on the third anniversary of the agreement, secured by a first-rank mortgage on Prevttec's intellectual property and other provisions, and convertible into preferred shares of Prevttec under certain conditions;
9. Second Amended and Restated Unanimous Shareholders' Agreement dated March 2, 2015 between Prevttec and its shareholders, as further amended on June 15, 2015 and July 30, 2015 (the "**Prevttec Shareholders' Agreement**"):
 - (a) FIER ID, Société en commandite
 - (b) Fonds ID S.E.C.
 - (c) Telesystem Ltd.
 - (d) Accès Capital Québec Fonds III, Société en commandite
 - (e) Desjardins-Innovatech, S.E.C.
 - (f) Investissement Québec
 - (g) Groupe Jafaco Gestion Inc.
 - (h) Grupo Corporativo Fuertes, S.L.
 - (i) Echo Capital Fier Outaouais, Société En Commandite
 - (j) Jejam Invest GbR
 - (k) CQVB
 - (l) Valorisation-Recherche, Limited Partnership
 - (m) John Morris Fairbrother
 - (n) Éric Nadeau
 - (o) Michel Fortin

ITEM 3. INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table presents the information regarding compensation and securities held for each director, officer and promoter of the Corporation as well as each person who owns, or exercises control or direction over, more than 10% of the voting securities of the Corporation (a "**Principal Holder**"). Only Class A Shares are voting.

| Name and municipality of principal residence | Position held and date of obtaining that position | Compensation paid by the Corporation in the last financial year and the compensation anticipated to be paid in the current financial year | Number, type and percentage of securities of the Corporation held after completion of min. offering | Number, type and percentage of securities of the Corporation held after completion of max. offering |
|--|--|---|---|---|
| Dany Bergeron Rawdon, Quebec | President, Treasurer, Secretary, Director, and Principal Holder since January 2017 | 2016: N/A 2017: See Note 1 | 4,000 Class A Shares (40%) 100 Class B Shares (100%) | 4,000 Class A Shares (40%) 100 Class B Shares (100%) |
| Target Capital Inc. Calgary, Alberta | Principal Holder since January 2017 | 2016: N/A 2017: \$32,500 ⁽²⁾ | 6,000 Class A Shares (60%) | 6,000 Class A Shares (60%) |

Notes:

- (1) Mr. Bergeron, the sole director and officer of the Corporation and the sole indirect beneficial shareholder of the Minority Shareholder of the Corporation, is also a dealing representative of Whitehaven, which may act as a selling agent under the Offering. The Corporation intends to offer a cash commission equal to up to eight percent (8%) of the gross proceeds of the Offering to the selling agents. As such, in his capacity as a dealing representative of Whitehaven, Mr. Bergeron could receive up to \$80,000 in compensation assuming completion of the Minimum Offering and up to \$560,000 in compensation assuming completion of the Maximum Offering, in each case representing a commission of up to eight percent (8%) of the gross proceeds of the Offering.
- (2) Calculated based on the maximum amount of Target Fees payable under the Target Agreement upon completion of the Maximum Offering assuming that 50% of the gross Offering proceeds are raised from Deferred Plans.

3.2 Management Experience

3.2.1 Experience of Management of the Corporation

The name and principal occupation of the sole director and executive officer of the Corporation is set out below.

| Name and position | Principal occupation and related experience |
|--|--|
| Dany Bergeron, B.B.A, C.L.U., C.A.A.S., FMA, FCSI President, Treasurer, Secretary, Director | Mr. Bergeron has more than 20 years of experience in the distribution of financial products and services and in the management of companies. During his professional career, Mr. Bergeron was a director for 6 years (including 3 years as Chairman of the Board of Directors) of the Chambre de la Sécurité Financière, a self-regulatory organization in the province of Quebec whose mission is to ensure the protection of the public. The Chambre oversees more than 32,000 professionals in the financial sector, particularly in terms of ethics and discipline. Mr. Bergeron acts as a consultant to companies representing high-quality investment opportunities in the exempt market. He also acts and as a dealer representative of Whitehaven Securities Inc. and as the sole officer, director, and representative of his financial services firm Financière Radisson Inc. and his exempt markets firm Mardi.info – Exempt Market Solutions. |

3.2.2 Experience of Management of Prevttec

| Name and position | Principal occupation and related experience |
|---|---|
| Michel Fortin, CPA President and CEO | Michel Fortin has been the chief architect of Prevttec's business and financial strategies since 2005. He has successfully closed multiple rounds of financing and negotiated intellectual property agreements, research contracts and strategic partnerships. Mr. Fortin leads Prevttec's product development, marketing and distribution strategies for world markets. He has been a director |

| | |
|--|--|
| | of BIOQuébec since 2012 and served as a director of the national industry association BIOTECCanada from 2012 to 2016, of La Cité de la Biotechnologie de St-Hyacinthe from 2012 to 2015, and of Corporation du centre pharmaceutique de St-Hyacinthe from 2011 to 2015. |
| Éric Nadeau, D.M.V., M.Sc., Ph.D. Vice President – Scientific Affairs | Éric Nadeau is the co-founder of Prevttec. He has successfully led the development and approval of veterinary vaccines in several countries, in cooperation with various partners. He is responsible for R&D and regulatory affairs. A veterinarian by training, he worked as a microbiologist researcher at the Reference Laboratory for Escherichia coli, part of Université de Montréal’s Faculty of Veterinary Medicine, where he developed various technologies now being sold or developed by Prevttec. |
| Alain Lesage, LL.L, M.B.A. Vice President – Corporate Development | Alain Lesage handles the legal and corporate affairs of Prevttec Inc. and its subsidiaries in Europe, Asia and South America. He acts as the corporate secretary and participates actively in the company’s strategy development and financing. He forged the company’s business relations in Asia, particularly in China and Thailand. Prior to joining Prevttec, he worked as a business consultant, entrepreneur coach, and management trainer. Alain Lesage has worked with Prevttec as a consultant since the company’s inception and drafted the company’s business plans. |
| Christian Roy, CPA, CA Director - Finance | Christian Roy joined Prevttec’s team in 2011. He oversees the company’s financial operations. Before joining Prevttec, he spent over 10 years in public accounting, gaining valuable experience in such areas as financial reporting, management consulting, due diligence, tax planning and compliance, and corporate finance. |
| Danielle Tremblay, B.Sc., M.Sc. Associate Director – Scientific Affairs | Danielle Tremblay joined Prevttec in 2007. As the company’s Associate Director, Scientific Affairs, she is in charge of the daily management of the teams responsible for new technology development, regulatory affairs and animal studies. Before joining Prevttec, Danielle Tremblay worked as an industrial microbiology supervisor in the agricultural industry and a microbiology expert on an R&D team. |

3.3 Penalties, Sanctions and Bankruptcy

To the knowledge of the Corporation, there are no penalties or sanctions that have been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against: (i) a director, executive officer or control person of the Corporation or Prevttec, or (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time. There is no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any (i) director, executive officer or control person of the Corporation or Prevttec, or (ii) issuer of which a person referred to in (i) above was a director, executive officer or control person at that time.

ITEM 4. CAPITAL STRUCTURE

4.1 Share Capital

The following sets out the capital structure of the Corporation as at the date indicated below:

| Description of Security | Number authorized to be issued | Price per security | Number outstanding as at February 28, 2017 | Number outstanding assuming completion of Minimum Offering | Number outstanding assuming completion of Maximum Offering |
|-------------------------|--------------------------------|--------------------|--|--|--|
| Class A Shares | Unlimited | \$0.01 | 10,000 | 10,000 | 10,000 |
| Class B Shares | Unlimited | \$1.00 | 100 | 100 | 100 |

4.2 Long Term Debt

As of the date of this Offering Memorandum, the Corporation does not have any outstanding long term debt. Upon completion of the Offering, the Corporation will have the following number of Bonds outstanding.

| Description of Security | Number authorized to be issued | Price per security | Number outstanding as at February 28, 2017 | Number outstanding assuming completion of Minimum Offering | Number outstanding assuming completion of Maximum Offering |
|-------------------------|--------------------------------|--------------------|--|--|--|
| Bonds | 7,000 | \$1,000 | nil | 1,000 Bonds ⁽¹⁾⁽²⁾ | 7,000 Bonds ⁽¹⁾⁽³⁾ |

Notes:

- (1) See Item 5.1 – Terms of Securities for the terms of the Bonds offered pursuant to the Offering.
- (2) Represents a debt obligation of \$1,000,000 to Subscribers under the Offering, plus applicable interest thereon.
- (3) Represents a debt obligation of \$7,000,000 to Subscribers under the Offering, plus applicable interest thereon.

4.3 Prior Sales

The Corporation has not offered any Bonds for sale within the twelve (12) months prior to the date of this Offering Memorandum.

ITEM 5. SECURITIES OFFERED

5.1 Terms of Securities

The securities being offered pursuant to the Offering are secured bonds of the Corporation. The Bonds qualify as Deferred Plan Investments. Bonds do not entitle the holders thereof to vote. The price is \$1,000 per Bond and the Bonds will mature on December 31, 2021, unless otherwise redeemed by the Corporation prior to the Maturity Date.

The Series A Bonds shall bear interest at an annual fixed rate of eight percent (8%), payable on a quarterly basis on March 31st, June 30th, September 30th, and December 31st of each year and shall entitle the holder to a bonus equal to 10% of the principal amount upon the earlier of redemption by the Corporation and the Maturity Date.

The Series B Bonds shall bear interest at an annual fixed rate of eight percent (8%), with interest capitalized on a quarterly basis on March 31st, June 30th, September 30th, and December 31st of each year and repayable with a bonus equal to 10% of the principal amount upon the earlier of redemption by the Corporation and the Maturity Date.

The debt obligations represented by the Bonds shall be secured by the Deeds of Hypothec. See Item 2.7 – Material Agreements.

5.2 Subscription and Payment Procedure

The minimum subscription amount is \$10,000 per Subscriber. Subscribers will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties covenants, and acknowledgements by the Subscriber that it is duly authorized to purchase the Bonds, that the Subscriber is purchasing the Bonds as principal for investment purposes and not with a view to resale, and that the Subscriber is eligible to subscribe for Bonds pursuant to an exemption from the prospectus requirements under applicable Canadian securities laws.

In order to subscribe for Bonds, Subscribers must complete, execute and deliver the following to the Corporation via its counsel, BCF LLP, at 1100 René Lévesque Boulevard West, 25th floor, Montreal, Quebec H3B 5C9, Attention: Tom Provost:

1. one duly completed and signed copy of the Subscription Agreement;
2. completed and executed copies of the applicable schedules and appendices to the Subscription Agreement, including the appropriate investor qualification and risk acknowledgement forms. The appropriate form(s) to be completed depend(s) on a Subscriber's place of residence and on the amount of his or her investment (see the cover page to the Subscription Agreement for instructions);
3. payment of the aggregate subscription amount set forth in the Subscriber's Subscription Agreement by wire transfer payable to the following account (or by such other method of payment as may be accepted by the Corporation):

| | |
|------------------------|--|
| For credit to: | National Bank of Canada 955, de Maisonneuve Ouest Montreal, Quebec H3A 1M4 CANADA |
| Swift Code: | BNDCCAMMINT |
| Bank number: | 0006 |
| Transit number: | 1095-1 |
| Account number: | 07-574-28 |
| Beneficiary's name: | BCF LLP, in trust |
| Beneficiary's address: | 1100 René-Lévesque Blvd. West Suite 2500 Montreal, Quebec H3B 5C9 CANADA |
| Reference no.: | 42273/1 |

Subject to applicable securities laws, and the purchaser's two-day cancellation right, a subscription for Bonds, evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Subscriber. See Item 11 - Purchasers' Rights.

Subscriptions for Bonds will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Bonds is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The closing of the Minimum Offering amount is scheduled to occur on or about October 31, 2017. It is expected that the Bonds will be available for delivery within a reasonable period of time after the relevant closing date(s). If the Minimum Offering amount is not met prior to November 30, 2017, collected funds will be returned to the respective parties by December 30, 2017 without interest.

ITEM 6. TAX CONSEQUENCES AND FUNDS FROM DEFERRED PLANS

You should consult your own professional adviser to obtain advice on the tax consequences that apply to you.

The Tax Act and the regulations thereunder provide generally that bonds or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a designated stock exchange in Canada will constitute a “qualified investment” for a Deferred Plan.

The Corporation is a Canadian corporation controlled by Target. As a result, the Bonds will constitute a “qualified investment” for Deferred Plans provided the shares of Target remain listed on a stock exchange designated by the Minister of Finance, which they currently are, and as long as Target controls the Corporation. There is no agreement which restricts the ability of Target to vote its Class A Shares of the Corporation or to appoint a majority of the board of directors of the Corporation. As such, Target should be considered to control the Corporation.

There are additional requirements for a TFSA, RRSP, RESP or RRIF in order for the Bonds not to be a “prohibited investment” which would be subject to a special tax under the Tax Act. The Bonds will be a “prohibited investment” if the account holder does not deal at arm’s length with the Corporation or the account holder is a “specified shareholder” of the Corporation as defined in the Tax Act, generally a person who has a ten percent (10%) or greater interest in the Corporation together with non-arm’s length persons. Assuming the Bondholder does not meet the above requirements, the Bonds will not be a “prohibited investment”.

There can also be additional special taxes for a TFSA, RRSP, RESP or RRIF on certain tax advantages that unduly exploit the attributes of a TFSA, RRSP, RESP or RRIF, including “advantages” on “prohibited investments” and on “non-qualified investments”. The rules in the Tax Act that define an “advantage” are quite broad; Subscribers should seek independent professional advice as to the applicability of these rules to their particular circumstances.

The income tax information contained in this section was provided by Spiegel Sohmer, and it is based on the current provisions of the Tax Act, the regulations thereunder and published administrative practices of the Canada Revenue Agency (the “CRA”). This summary does not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules.

This summary is of a general nature only and is not intended to be legal, tax or business advice to the prospective Subscribers of Bonds. Consequently, Subscribers should seek independent professional advice regarding the tax consequences of investing in the Bonds, based upon their own particular circumstances.

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

Where allowed by applicable securities legislation, the Corporation intends to offer the Bonds through any one, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives on the exempt market, parties related to the Corporation or consultants of such parties. The Corporation intends to offer a cash commission equal to up to eight percent (8%) of the gross proceeds from sale of the Bonds to the selling agents.

In addition, in connection with the Offering and the Corporation’s purchase of Pevtec Bonds, Pevtec intends to offer as remuneration to Whitehaven up to 150,000 share purchase warrants (the “Warrants”) entitling the holder to acquire Class E Pevtec Shares at a price of \$2.25 per share for a period of 2 years from the date of grant, to be granted in three tranches as follows: (a) 50,000 Warrants, if a minimum of \$2,500,000 is raised under the Offering and used by the Corporation to purchase Pevtec Bonds prior to April 30, 2017; (b) 50,000 Warrants, if a minimum of \$5,000,000 is raised under the Offering and used by the Corporation to purchase Pevtec Bonds prior to July 31, 2017; and (c) 50,000 Warrants, if \$7,000,000 is raised under the Offering and used by the Corporation to purchase Pevtec Bonds prior to October 31, 2017.

Relationship Between the Corporation and Whitehaven Securities Inc.

Mr. Dany Bergeron, the sole director and officer of the Corporation and the sole indirect beneficial shareholder of the Minority Shareholder of the Corporation, is also a dealing representative of Whitehaven Securities Inc. (“Whitehaven”), which may act as a selling agent under the Offering. As such, the Corporation could be considered a “connected issuer” of Whitehaven and/or Mr. Bergeron under the securities legislation of certain Canadian provinces and territories. The decision to distribute the Bonds pursuant to the Offering and the determination of the terms of the Offering were made through negotiations between the Corporation, Prevttec, and Whitehaven. Other than the above-noted cash commission, no proceeds from the Offering will be applied, directly or indirectly, for the benefit of Whitehaven.

ITEM 8. RISK FACTORS

Subscribers are cautioned that an investment in Bonds involves risks related not only to the business of the Corporation but also to the Business of Prevttec, as the Corporation’s sole business objectives are to complete the Offering and generate a high level of interest income by purchasing Prevttec Bonds. There is no assurance of a return or benefit on a Bondholder’s investment. This Offering should be considered only by sophisticated Subscribers able to assume the risk of total loss and to make long term investments. An investment in the Corporation is not a complete investment program, and Subscribers should fully understand and be capable of assuming the risks of investing in the Corporation. Subscribers should consider a number of risk factors before investing in the Bonds, including the following:

Competition Risks

Many of Prevttec’s products face competition from alternative or substitute products. Prevttec is engaged in a highly competitive industry and faces competition from a substantial number of global and regional competitors. Some competitors have greater financial, R&D, production and other resources than Prevttec. Some of Prevttec’s principal competitors include Zoetis Inc., Merck & Co., Inc. (Merck Animal Health), Eli Lilly and Company (Elanco Animal Health), Boehringer Ingelheim GmbH, Sanofi (Merial), Bayer AG, Virbac, Ceva Santé Animale, IDDEX Laboratories, Vetoquinol S.A., Huvepharma Inc., IDT Biologika, and Arko Labs Ltd. To the extent these companies or new entrants offer comparable animal health and nutrition or performance products at lower prices, Prevttec’s business could be adversely affected. New entrants could substantially reduce Prevttec’s market share or render its products obsolete.

In certain countries, because of Prevttec’s size and product mix, the company may not be able to capitalize on changes in competition and pricing as fully as its competitors. There continues to be consolidation in the animal health and nutrition market, which could strengthen Prevttec’s competitors. Prevttec’s competitors can be expected to continue to improve the formulation and performance of their products and to introduce new products with competitive price and performance characteristics. There can be no assurance that Prevttec will have sufficient resources to maintain its current competitive position or market share.

Outbreaks of Animal Diseases Could Significantly Reduce Demand for Prevttec’s Products

The demand for Prevttec’s products could be significantly affected by outbreaks of animal diseases, and such occurrences may have a material adverse impact on the sale of Prevttec’s products, its financial condition, and results of operations. The outbreaks of disease are beyond Prevttec’s control and could significantly affect demand for its products and consumer perceptions of pork and other meat products. An outbreak of disease could result in governmental restrictions on the import and export of pigs, pork and other animals and meat products to or from Prevttec’s customers. Such an outbreak could also create adverse publicity that may have a material adverse effect on Prevttec’s ability to sell its products successfully and on its financial condition and results of operations. In addition, outbreaks of disease carried by animals may reduce regional or global sales of particular animal-derived food products or result in reduced exports of such products, either due to heightened export restrictions or import prohibitions, which may reduce demand for Prevttec’s products.

There has been substantial publicity relating to E. coli bacteria and other food poisoning micro-organisms in meats and other foods. Consumers may associate human health fears with animal diseases, food, food production or food animals whether or not it is scientifically valid, which may have an adverse impact on the demand for animal protein.

Occurrences of this type could significantly affect demand for animal protein which in turn could affect the demand for Prevtect's products in a manner that has a significant adverse effect on the company's financial condition and results of operations.

Perceived Adverse Effects on Human Health Linked to the Consumption of Food Derived from Animals That Utilize Prevtect's Products Could Cause a Decline in Sales

Prevtect's business depends heavily on a healthy and growing livestock industry. If the public perceives a risk to human health from the consumption of the food derived from animals that utilize Prevtect's products, there may be a decline in the production of those food products and, in turn, demand for Prevtect's products. Livestock producers may experience decreased demand for their products or reputational harm as a result of evolving consumer views of animal rights, nutrition and health-related or other concerns. Any reputational harm to the livestock industry may also extend to companies in related industries, including Prevtect. In addition, campaigns by interest groups, activists and others with respect to perceived risks associated with the use of Prevtect's products in animals, whether or not scientifically-supported, could affect public perceptions and reduce the use of Prevtect's products. Those adverse consumer views related to the use of one or more of Prevtect's products in animals could have a material adverse effect on Prevtect's financial condition and results of operations.

The Testing, Manufacturing, and Marketing of Prevtect's Products are Subject to Extensive Regulation by Numerous Government Authorities

Among other requirements, regulatory approval of Prevtect's products, including the manufacturing processes and facilities used to produce such products, is required before such products may be marketed in the jurisdictions in which Prevtect's products are sold. Marketing approval by a foreign governmental authority is typically required before such products may be marketed in a particular foreign country.

In addition to approval of the product and its labeling, regulatory authorities typically require approval and periodic inspection of the manufacturing facilities. In order to obtain regulatory approval of a new animal health and nutrition product, Prevtect must, among other things, demonstrate to the satisfaction of the regulator that the product is safe and effective for its intended uses and that Prevtect's suppliers are capable of manufacturing the product with procedures that conform to applicable regulations, which must be followed at all times. The process of seeking regulatory approvals can be costly, time consuming, and subject to unanticipated and significant delays. There can be no assurance that such approvals will be granted on a timely basis, or at all. Any delay in obtaining or any failure to obtain government approvals or the suspension or revocation of such approvals would adversely affect Prevtect's ability to introduce and market its products and to generate product revenue.

Risk Related to the Consolidation of Certain Customer Groups.

Significant consolidation of Prevtect's customers may result in such groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing Prevtect's business. Additionally, the emergence of large buying groups potentially could enable such groups to attempt to extract price discounts on Prevtect's products. Moreover, if, as a result of increased leverage, customer pressures require Prevtect to reduce its pricing such that its gross margins are diminished, the company could decide not to sell Prevtect's products to a particular customer, which could result in a decrease in its revenues. Consolidation among Prevtect's customer base may also lead to reduced demand for its products and replacement of its products by the combined entity with those of the company's competitors. The result of these developments may have a material adverse effect on Prevtect's business, financial condition and results of operations.

Misuse of Prevtect's Products May Harm Its Reputation or Result in Financial or Other Damages

Prevtect's products have been approved for use under specific circumstances for, among other things, the prevention, control and/or treatment of certain diseases and conditions in specific species, in some cases subject to certain dosage levels or minimum withdrawal periods prior to the slaughter date. There may be increased risk of product liability if livestock producers or others attempt any off-label use of Prevtect's products, including the use of Prevtect's products in species for which they have not been approved, or at dosage levels that have not been approved. If Prevtect is deemed by a governmental or regulatory agency to have engaged in the promotion of any of its products for off-label

use, such agency could request that Prevtect modify its promotional materials and practices and the company could be subject to significant fines and penalties. The imposition of such sanctions could also affect the company's reputation and position within the industry. Even if Prevtect were not responsible for having promoted the off-label use, concerns could arise about the safety and efficacy of Prevtect's products. Any of these events could materially adversely affect Prevtect's financial condition and results of operations.

Animal Health Products Are Subject to Unanticipated Safety and Efficacy Concerns

Unanticipated safety or efficacy concerns can arise with respect to animal health products, whether or not scientifically or clinically supported, leading to product recalls withdrawals or suspended or declining sales as well as product liability, and other claims.

In addition, Prevtect depends on positive perceptions of the safety and quality of its products, and animal health products generally, by its customers, veterinarians, and end-users and such concerns may harm the company's reputation. In some countries, these perceptions may be exacerbated by the existence of counterfeit versions of Prevtect's products, which, depending on the legal and law enforcement recourse available in the jurisdiction where the counterfeiting occurs, may be difficult to police or stop. These concerns and the related harm to Prevtect's reputation could materially adversely affect Prevtect's financial condition and results of operations, regardless of whether such reports are accurate.

Supplier Risks Related to Regulatory Approvals

Suppliers and third party contract manufacturers of animal health and nutrition products, like Prevtect, are subject to extensive regulatory compliance. If any one of these third parties discontinues its supply to Prevtect because of significant regulatory violations or otherwise, or an adverse event occurs at one of their facilities, the interruption in the supply of these materials could decrease sales of Prevtect's products. Prevtect may be unable to find a third party willing or able to provide the necessary products or facilities suitable for manufacturing Prevtect's products on acceptable terms or the cost may be prohibitive. If Prevtect has to obtain substitute materials or products, additional regulatory approvals will likely be required, as approvals are typically specific to a single product produced by a specified manufacturer in a specified facility. As such, the use of new facilities also requires regulatory approvals. While Prevtect takes measures where economically feasible and available to secure back-up suppliers, the continued receipt of active ingredients or products from a sole source supplier could create challenges if a sole source was interrupted. Prevtect may not be able to provide adequate and timely product to eliminate any threat of interruption of supply of its products to customers and these problems may materially adversely impact its business.

Research and Development Risks

As a company that produces animal health products and vaccines, evaluation of Prevtect's existing and new products in animals is required in order to be able to register the company's products. Animal testing in certain industries has been the subject of controversy and adverse publicity. Some organizations and individuals have attempted to ban animal testing or encourage the adoption of additional regulations applicable to animal testing. To the extent that the activities of such organizations and individuals are successful, Prevtect's R&D, and by extension its financial condition and results of operations, could be materially adversely affected. In addition, negative publicity about Prevtect or its industry could harm the company's reputation.

Risks Related to a Failure to Generate New Products

Prevtect's future success depends on both its existing product portfolio, approval for use of its products with new species, approval for new claims for its products, approval of its products in new markets, and its pipeline of new products, including new products that the company may develop through joint ventures and products that it is able to obtain through license or acquisition. Prevtect commits substantial effort, funds and other resources to expanding its product approvals and R&D, both through its own dedicated resources and through collaborations with third parties.

Prevtect may be unable to determine with accuracy when or whether any of its expanded product approvals for its existing product portfolio or any of its products now under development will be approved or launched, or the company may be unable to obtain expanded product approvals or develop, license or otherwise acquire product candidates or

products. In addition, there can be no assurance whether any such products, once launched, will be commercially successful or will achieve sales and revenues that are consistent with Prevtect's expectations. The animal health industry is subject to regional and local trends and regulations and, as a result, products that are successful in some of the markets Prevtect operates in may not achieve similar success when introduced into new markets. Furthermore, the timing and cost of Prevtect's R&D may increase, and its R&D may become less predictable. For example, changes in regulations applicable to Prevtect's industry may make it more time-consuming and/or costly to research, test and develop products.

Risks Related to Intellectual Property Rights

A third party may sue Prevtect or otherwise make a claim, alleging infringement or other violation of the third-party's patents, trademarks, trade dress, copyrights, trade secrets, domain names or other intellectual property rights. If Prevtect does not prevail in this type of litigation, the company may be required to: pay monetary damages; obtain a license in order to continue manufacturing or marketing the affected products, which may not be available on commercially reasonable terms, or at all; or stop activities, including any commercial activities, relating to the affected products, which could include a recall of the affected products and/or a cessation of sales in the future. The costs of defending an intellectual property claim could be substantial and could materially adversely affect Prevtect's operating results and financial condition, even if the company successfully defend such claims.

The intellectual property positions of animal health products and vaccines businesses frequently involve complex legal and factual questions, and an issued patent does not guarantee us the right to practice the patented technology or develop, manufacture or commercialize the patented product. Prevtect cannot be certain that a competitor or other third party does not have or will not obtain rights to intellectual property that may prevent it from manufacturing, developing or marketing certain of its products, regardless of whether the company believes such intellectual property rights are valid and enforceable or believes Prevtect would be otherwise able to develop a more commercially successful product, which may harm Prevtect's financial condition and results of operations.

Sufficiency of Funds

Prevtect is not yet profitable and does not generate a positive cash flow. Its continued operation is dependent on obtaining further financing. If Prevtect is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those initiatives that can be funded through cash flows generated from its existing operations. There is no assurance that Prevtect will be able to operate as a going concern and fulfill its obligations under the Prevtect Subscription Agreements. If Prevtect defaults under the Prevtect Subscription Agreements, the Corporation may be unable to pay interest to the Bondholders and repay the Bonds.

Key Management Personnel

The operations and future success of Prevtect are dependent on the continued efforts of their senior executive officers and other key personnel and the operations and future success of the Corporation is dependent on its sole officer and director. The Corporation and Prevtect may not be able to retain all of their senior executive officers and key employees. These senior executive officers and other key employees may be hired by competitors. The loss of the services of any senior executive officers or other key personnel, or the inability to hire and retain qualified employees, could have a material adverse effect on the business, financial condition, and results of operations of the Corporation and/or of Prevtect.

Limited Operating History

The Corporation was created on January 13, 2017 and started operations only recently. There is no assurance that the Corporation will achieve all of its short- and long-term business objectives.

Diversification

The Corporation's only assets on closing of the Minimum Offering will be the Prevtect Bonds purchased with the proceeds of the Offering in order to finance the Business. Accordingly, a Subscriber's investment in the Corporation does not alone provide optimal diversification for a balanced portfolio.

Liquidity Risk

Debt securities are not publicly traded and are generally illiquid. It might accordingly prove difficult for the Corporation to access short-term liquidities should it need them. In addition to the effects noted above, this limited liquidity may have an adverse effect on the Corporation's investment performance.

Loss of Capital

All investments in securities involve risk of the loss of all or part of the investor's original capital. An investment in the Corporation carries such risk.

No Resale Market for Bonds

The Corporation's Bonds are not traded on any exchange or market. The Bonds are also subject to restrictions and conditions on their resale. These restrictions and conditions appear on the Bond certificate.

Securities Regulatory Risks

In the ordinary course of business, the Corporation may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities regulations from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under applicable Canadian securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for under securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Corporation believes that its position regarding compliance with applicable Canadian securities laws is appropriate and supportable, it is possible that securities law matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Corporation. There can be no assurance that applicable Canadian securities laws or the securities regulators interpretations thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Corporation.

Risk of Changes in the Tax Legislation or in Rulings

There can be no assurance that changes in the Tax Act, future judicial rulings or the implementation of new taxes will not have a negative impact on the Corporation or will not fundamentally alter the income tax consequences to Bondholders of purchasing, holding or disposing of the Bonds. The Corporation strongly encourages the Subscribers to consult their tax adviser about the tax consequences of the acquisition, ownership and disposition of the Bonds purchased pursuant to this Offering.

Eligibility of Bonds for Deferred Plans Risk

No advance income tax ruling has been applied for or received with respect to the eligibility of the Bonds for tax deferred plans. If Target ceases to control the Corporation, ceases to be listed on a stock exchange designated by the Minister of Finance or is deemed not to control the Corporation for purposes of the Tax Act, there may be adverse tax consequences to a Bondholder as the Bonds will cease to constitute a "qualified investment" for Deferred Plans unless the Corporation can make suitable arrangements to maintain eligibility for the Bonds. If the Bonds cease to be eligible Deferred Plan Investments, an annuitant which acquires or holds Bonds may be required to include in his or her income the fair market value of the Bonds acquired with funds in a Deferred Plan. The annuitant may also incur penalties and may have the registration of the Deferred Plan revoked. There is also a risk that CRA reassess Bondholders in respect of their investment in the Bonds.

No Insurance Against Loss

The Bonds are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.

Risk of Challenge

The structuring of this Offering in general and the fact that Target controls the Corporation justify the eligibility of the Bonds as tax deferred investments. However, this interpretation of “qualified investment” for purposes of the Tax Act may be challenged under the anti-avoidance provisions. No advance income tax ruling or other comfort has been obtained from any professional firm as to whether or not the general anti-avoidance provisions would apply to this case.

Control by Target Risk

The Corporation’s Class A Shares are held by Target and 9278-7381 Quebec Inc., a company indirectly controlled by Mr. Dany Bergeron. Pursuant to the *Business Corporations Act* (Quebec) and the incorporation documents of the Corporation, the holders of the Class A Shares have the exclusive right to elect, change and remove the directors of the Corporation. Target has majority voting control of the Corporation and there is no agreement that restricts Target’s ability to vote its Class A Shares of the Corporation.

ITEM 9. REPORTING OBLIGATIONS

The Corporation is not subject to continuous reporting and disclosure obligations which the securities legislation of any province or territory of Canada would require of a “reporting issuer” as defined in such legislation and, as such, except as noted below, there is no requirement that the Corporation make disclosure of its affairs, including, without limitation, through the prompt notification of material changes by way of news releases.

The Corporation is required, however, to file its audited annual financial statements within 120 days after the end of each of its financial years with the applicable securities commissions and provide a copy thereof to each subscriber in Quebec, Ontario, Alberta, Saskatchewan, New Brunswick, and Nova Scotia that subscribes for Bonds pursuant to the “offering memorandum” exemption under subsection 2.9(2.1) of NI 45-106 (the “**OM Exemption**”). Additionally, the Corporation is required to provide:

- (i) to the abovementioned subscribers, a notice detailing the use of the aggregate gross proceeds raised by the Corporation under the OM Exemption; and
- (ii) to subscribers in Ontario, New Brunswick, and Nova Scotia who subscribe for Bonds pursuant to the OM Exemption, a notice within 10 days of the occurrence of any of the following events: (a) a discontinuation of the Corporation’s business; (b) a change in the Corporation’s industry; or (c) a change of control of the Corporation.

ITEM 10. RESALE RESTRICTIONS

The Bonds offered hereunder will be subject to a number of resale restrictions under securities legislation, including a restriction on trading. Unless or until the restrictions on trading expire, you will not be able to trade the Bonds unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under securities legislation. For information about these resale restrictions you should consult a lawyer.

10.1 General Statement

For trades in Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories:

The Bonds will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Bonds unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

For trades in Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories:

Unless permitted under securities legislation, you cannot trade the Bonds without an exemption before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada.

The Corporation does not intend to become a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

For Manitoba residents, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (i) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (ii) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11. SUBSCRIBER'S RIGHTS

If you purchase Bonds pursuant to the OM Exemption you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

11.1 2 Day Cancellation Right

If you purchase Bonds pursuant to the OM Exemption, you can cancel your agreement to purchase these securities. To do so, you must send a notice to the Corporation by midnight on the 2nd business day after you sign the agreement to buy the securities.

11.2 Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy the securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. In addition, any marketing materials in respect of the Offering delivered or made reasonably available before the termination of the Offering to Subscribers in Ontario, Quebec, Alberta, Saskatchewan, New Brunswick, and Nova Scotia that purchase Bonds pursuant to the OM Exemption are incorporated by reference into this Offering Memorandum.

Unless otherwise noted, in this section, a “misrepresentation” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the Persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect

thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. By its execution of the Subscription Agreement, the Corporation will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Statutory Rights of Action for Subscribers in the Province of British Columbia

Securities legislation in British Columbia provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages against the Corporation, every director of the Corporation at the date of the Offering Memorandum or any person who signed the Offering Memorandum. The purchaser may also elect to exercise a right of rescission against the Corporation in which case the purchaser has no right of action for damages. Purchasers should refer to the applicable provisions of the British Columbia securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below.

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- (a) the Corporation to cancel their agreement to buy the Bonds; or
- (b) for damages against the Corporation, directors of the Corporation at the date of the Offering Memorandum and any person who signed the Offering Memorandum (collectively defined as the “**Insiders**” for this section).

If this Offering Memorandum or any amendment thereto contains a misrepresentation and it was a misrepresentation on the date of investment, a purchaser to whom such Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Insiders. A purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Corporation:

- (i) the purchaser may elect to exercise a right of rescission against the Corporation in which case the purchaser does not have a right of action for damages against the Insiders;
- (ii) the Insiders are not liable under subsection (a) if the Corporation proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (iii) in an action for damages pursuant to subsection (b), the Insiders are not liable for all or any portion of the damages that the Insiders prove do not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- (iv) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- (v) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

Statutory Rights of Action for Subscribers in the Province of Alberta

Securities legislation in Alberta provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, or both, against the Corporation or selling security holder on whose behalf the distribution is made if the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within

prescribed time limits. Purchasers should refer to the applicable provisions of the Alberta securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below.

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- (a) the Corporation to cancel their agreement to buy the Bonds; or
- (b) for damages against the Corporation, directors of the Corporation at the date of the Offering Memorandum and every person who signed this Offering Memorandum.

This statutory right to sue is available to the purchaser whether or not the purchaser relied on the misrepresentation. However, there are various defences available to the persons or companies that the purchaser has the right to sue. In particular, the Corporation would have a defence if the purchaser knew of the misrepresentation when the purchaser purchased the Bonds.

If the purchaser intends to rely on the rights described in (a) or (b) above, the purchaser must do so within strict time limitations. The purchaser must commence its action to cancel the agreement by notice to the Corporation within 180 days and must commence its action for damages by notice to the Corporation within one year from the date of the transaction.

If this Offering Memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact which is required to be stated or which is necessary in order to make any statement therein not misleading in light of the circumstances in which it was stated (herein called a “**misrepresentation**”) and it was a misrepresentation on the date of investment, a purchaser to whom this Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Corporation, while still the owner of any of the securities offered hereunder. provided that, if the Offering Memorandum contains a misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Corporation:

- (i) the purchaser may elect to exercise a right of rescission against the Corporation in which case the purchaser does not have a right of action for damages against the Corporation;
- (ii) the Corporation is not liable under subsection (a) if the Corporation proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (iii) in an action for damages pursuant to subsection (b), the Corporation is not liable for all or any portion of the damages that the Corporation proves does not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- (iv) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- (v) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

In the event that this Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a “**material fact**”) or omits 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 (herein called a “**misrepresentation**”), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Corporation, the promoters and “**directors**” (as defined in *The Securities Act, 1988* (Saskatchewan)) of the Corporation, every person or company whose consent has been filed with this

Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Corporation under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Corporation, the purchaser may elect to exercise a right of rescission against the Corporation.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to and do not derogate from any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendment hereto) delivered to a purchaser of Bonds resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Corporation, (ii) every director of the Corporation at the date of this Offering Memorandum (collectively, the “**Directors**”), and (iii) every person or company who signed this Offering Memorandum (collectively, the “**Signatories**”); and (b) a right of rescission against the Corporation.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

A purchaser may elect to exercise a right of rescission against the Corporation, in which case the purchaser will have no right of action for damages against the Corporation, Directors or Signatories.

The Corporation, the Directors and Signatories will not be liable if they prove that the purchaser purchased Bonds with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Director or Signatory will not be liable:

- (a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Corporation that it was delivered without their knowledge and consent;
- (b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Corporation of their withdrawal and the reasons therefore;
- (c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert (“**Expert Opinion**”), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert’s authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, the Corporation, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Bonds were offered for sale.

A purchaser of Bonds to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Corporation or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Bonds to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Bonds by sending a written notice of rescission to the Corporation not later than midnight on the second day, excluding Saturdays, Sundays and statutory holidays, after the purchaser signs the agreement to purchase the Bonds.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised not later than:

- (a) in the case of rescission, 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of The Securities Act (Manitoba) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Ontario

Section 6.2 of Ontario Securities Commission Rule 45-501 (“**Rule 45-501**”) provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in section 2.3 [*accredited investor*] of National Instrument 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the “**Act**”) shall be described in the offering memorandum.

Section 130.1 of the Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits 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, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) will have a right of action against the Corporation for damages or rescission as follows:

- (a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Corporation, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Corporation not later than the earlier of:
 - i. 180 days after the investor had knowledge of the facts giving rise to the course of action; or
 - ii. three years after the date of the transaction giving rise to the cause of action;
- (b) the Corporation will not be liable if it proves that the investor purchased securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the Corporation will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- (e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the Securities Act (Ontario).

Statutory Rights of Action for Subscribers in the Province of Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a Subscriber resident in Quebec and contains a misrepresentation that was a misrepresentation at the time of purchase, the Subscriber will be deemed to have relied upon the misrepresentation and will have a statutory right of action against the Corporation, the officers and directors of the Corporation or any dealer under contract with the Corporation for damages or for rescission or revision of the price.

This right of action is subject to the following limitations:

- (a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with the *Autorité des marchés financiers*;

- (b) no person or company will be liable if it proves that the Subscriber acquired the Bonds with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the officers or directors of the Corporation or the dealer under contract with the Corporation will not be liable if they acted with prudence and diligence; and
- (d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
 - i. the document containing the forward-looking information contained, proximate to that information,
 - (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - ii. the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Statutory Rights of Action for Subscribers in the Province of New Brunswick

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in New Brunswick:

- (a) the Corporation to cancel your agreement to buy the Bonds; or
- (b) for damages against the Corporation and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Bonds as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Bonds were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the Bonds.

In New Brunswick, the defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

- (a) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in New Brunswick, the above defence does not relieve a person of liability respecting forward -looking information in a financial statement.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you knew of the misrepresentation, or (ii) six years after the transaction.

Statutory Rights of Action for Subscribers in the Province of Prince Edward Island

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Prince Edward Island:

- (a) the Corporation to cancel your agreement to buy these securities; or
- (b) for damages against the Corporation, any selling security holder on whose behalf the distribution is made and any director of the Corporation (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

- (a) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Prince Edward Island, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Prince Edward Island securities laws. If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Prince Edward Island, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

Statutory Rights of Action for Subscribers in Newfoundland and Labrador

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Corporation:

- (a) to cancel your agreement to buy these Bonds; or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Bonds as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the

price at which the Bonds were offered. There are various defences available to the Corporation should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the Bonds.

If you intend to rely on the rights described above, you must do so within strict time limitations.

In Newfoundland and Labrador, you must commence your action to rescind your agreement to purchase Bonds within 180 days after you signed the agreement to purchase the Bonds or commence your action for damages within the earlier of: (1) 180 days after learning of the misrepresentation, or (2) three years after the transaction.

Statutory Rights of Action for Subscribers in the Province of Nova Scotia

If this offering memorandum, together with any amendment thereto, contains a misrepresentation, an investor in Nova Scotia who purchases a security offered by this offering memorandum during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and such investor shall have a right of action for damages against the Corporation and every person or company who signed the offering memorandum or, at the election of the investor, a right of rescission against the Corporation (in which case the investor does not have a right of action for damages), provided that:

- (a) no action may be commenced to enforce a right of action:
 - i. for rescission more than 180 days after the date of the purchase; and
 - ii. for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- (b) where a misrepresentation is contained in an offering memorandum, the Corporation or any person or company is not liable for damages:
 - i. if it is proven that the purchaser had knowledge of the misrepresentation;
 - ii. if it is proven that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Corporation that it was sent without the knowledge and consent of the person or company;
 - iii. if it is proven that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Corporation of the withdrawal and the reason for it;
 - iv. if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
 - v. with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation;
- (c) the amount recoverable under this section shall not exceed the price at which the securities were offered under the offering memorandum;
- (d) subsection (b)(ii) to (v) do not apply to the Corporation;

- (e) in an action for damages, the Corporation or any person or company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation; and
- (f) in no case shall the amount recoverable exceed the price at which the security was offered.

Statutory Rights of Action for Subscribers in the Northwest Territories

If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Corporation, the selling holder of a Bond on whose behalf the distribution is made, every director of the Corporation at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Corporation or the selling security holder on whose behalf the distribution is made. If the Subscriber elects to exercise a right of action for rescission, the Subscriber shall have no right of action for damages.

A defendant is not liable if he or she proves that the Subscriber purchased the securities with knowledge of the misrepresentation. A person, other than the Corporation and selling security holder, is not liable if he or she proves that:

- (a) the Offering Memorandum was sent to the Subscriber without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Corporation that it had been sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the Corporation of the withdrawal and the reason for it;
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - i. there had been a misrepresentation, or
 - ii. the relevant part of the Offering Memorandum:
 - (A) did not fairly represent the report, statement or opinion of the expert, or
 - (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the Corporation and selling holder of a Bond, is not liable with respect to any part of an Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if the offering memorandum containing the forward-looking information also contains, proximate to the forward-looking information,

- (a) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward- looking information; and

- (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (c) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward - looking information.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Bonds resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Bonds purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Subscriber may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Statutory Rights of Action for Subscribers in the Yukon Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue in Yukon:

- (a) for the Corporation to cancel your agreement to buy these securities; or
- (b) for damages against the Corporation, every person who was a director of the Corporation at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

- (a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Yukon, the above defence does not relieve a person of liability respecting forward -looking information in a financial statement required to be filed under Yukon securities laws.

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In Yukon, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation, or
- (b) three years after the transaction.

If you reside in Yukon and you did not receive a copy of this Offering Memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your securities, you can choose to cancel your agreement instead of suing for damages.

Statutory Rights of Action for Subscribers in the Nunavut Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Nunavut:

- (a) the Corporation to cancel your agreement to buy the Bonds; or
- (b) for damages against the Corporation, any selling security holder on whose behalf the distribution is made, any director of the Corporation (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

- (a) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Nunavut, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation, or
- (b) three years after the transaction.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them.

General

The foregoing summaries are subject to the express provisions of the applicable securities legislation and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. The rights of action described herein are in addition to and without derogation from any other right or remedy that the Subscriber may have under applicable laws.

ITEM 12. FINANCIAL STATEMENTS

The audited financial statements of the Corporation are attached hereto as Schedule A.

SCHEDULE A
AUDITED FINANCIAL STATEMENTS

(See attached)

Opening Balance Sheet

MarDi.info-Prevtec Inc.

January 13, 2017

MarDi.info-Prevtec Inc.

Opening Balance Sheet

January 13, 2017

ASSETS

Current assets

| | |
|---------------------------|---------------|
| Cash and cash equivalents | <u>\$ 200</u> |
|---------------------------|---------------|

| | |
|---------------------|---------------|
| Total assets | <u>\$ 200</u> |
|---------------------|---------------|

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

| | |
|---|--------------|
| Class A shares redeemable at the option of the holder | <u>\$ 60</u> |
|---|--------------|

Shareholders' equity

| | |
|------------------------|------------|
| Share capital - Note 4 | <u>140</u> |
|------------------------|------------|

Commitments - Note 5

| | |
|---|---------------|
| Total liabilities and Shareholders' equity | <u>\$ 200</u> |
|---|---------------|

See accompanying notes to the opening balance sheet.

Approved by the Board of Directors of MarDi.info-Prevtec Inc.

(s) Dany Bergeron , Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MARDI.INFO PREVTEC INC.

We have audited the opening balance sheet as at January 13, 2017 of **MARDI.INFO PREVTEC INC.** and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Opening Balance Sheet

Management is responsible for the preparation and fair presentation of the opening balance sheet in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of the opening balance sheet that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the opening balance sheet based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the opening balance sheet is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the opening balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the opening balance sheet, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the opening balance sheet in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the opening balance sheet.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the opening balance sheet presents fairly, in all material respects, the financial position of **MARDI.INFO PREVTEC INC.** as at January 13, 2017 in accordance with International Financial Reporting Standards (IFRS).

Subsequent Event

Without modifying our opinion, we draw attention to Note 10 to the financial statements, which describes the subsequent event that gave rise to the amendment of the financial statements on March 8, 2017, the date of our auditor's report. Our procedures with respect to events subsequent to February 14, 2017 are restricted solely to that amendment to the financial statements.

1

Mazars Harel Brouin, LLP

Montréal, March 8, 2017

1. CPA auditor, CA, public accountancy permit No. A117854

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

1. Formation and description of business

MarDi.info-Prevtec Inc. (the "Company") was incorporated on January 13, 2017 under the Business Corporations Act (Quebec). Its head office is located at 2500-1100 René-Lévesque W., Montreal, Quebec, H3B 5C9.

The Company was formed to conduct the Offering Memorandum ("OM") and to make advance loans to a related entity named Prevtec Microbia Inc. for the net proceeds of the OM in order to finance the business. Prevtec first products on the market are a family of live vaccines that provide immunity to two diseases found in swine caused by Escherichia Coli: post-weaning diarrhea and oedema disease. Prevtec currently has products approved for sale in Canada, all the 28 countries of the European Union, as well as in Brazil and Russia. The company is actively seeking marketing approvals in various other jurisdictions. Prevtec also has a portfolio of products under various stages of development, including an organic feed additive for swine and other innovative technologies designed to be used as alternatives to antibiotics.

Prevtec has a research and operations center in Saint-Hyacinthe, Quebec and has three subsidiaries in other countries: (i) Prevtec Microbia GmbH in Munich, Germany to cover the European market; (ii) Prevtec Microbia do Brasil Comercio de Productos Veterinarios Ltda in Toledo, Brazil to cover the Latin American market; and (iii) Prevtec Microbia HK Limited in Hong Kong, China to develop the Asian markets.

This opening balance sheet has been prepared in accordance with International Financial Reporting Standards assuming the company will continue on a going-concern basis. The Company is in a start-up and in the process of raising financing in order to begin business operations. Management is actively targeting sources of financing through the OM.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the opening balance sheet are set out below.

Basis of preparation

The opening balance sheet has been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies and making certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses during any reporting year. Actual results could differ from those estimates. The following is a summary of significant accounting policies that will be followed by the Company in the preparation of its opening balance sheet.

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

2. Summary of significant accounting policies (continued)

Basis of preparation (continued)

The opening balance sheet has been prepared on the historical cost basis, with the exception of certain financial instruments, which are measured at fair value. Historical cost generally represents the fair value of consideration given in exchange for assets upon initial recognition.

This opening balance sheet was approved by the directors for issue on March 8, 2017.

Functional currency and presentation currency

The opening balance sheet is presented in Canadian dollars, which is the Company's functional and presentation currency.

Issue costs

Issue costs incurred in connection with the offering will be charged against the financing raised by the OM.

Income taxes

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation was made using tax rates and laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognized based on temporary differences between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws that are expected to apply to taxable profit for the periods in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The Company recognizes a deferred tax asset or liability for all deductible temporary differences arising from equity securities of subsidiaries, unless it is probable that the temporary difference will not reverse in the foreseeable future and the Company is able to control the timing of the reversal.

MarDi.info-Prevtect Inc.

Notes to the opening balance sheet

January 13, 2017

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents presented in assets and liabilities on the statement of financial position and in the statement of cash flows include components of cash that are readily available or convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash includes bank deposits, cash on hand and short-term deposits with an initial maturity of less than three months. Cash equivalents are short-term investments with a term of less than three months.

Financial instruments - classification and measurement

Financial assets

Financial assets are classified as either financial assets at FVTPL, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Management determines the classification of its financial assets at initial recognition. When, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held-to-maturity, the investment is reclassified into the available-for-sale category.

Financial assets at FVTPL

The Company may designate any financial asset at fair value through profit or loss on initial recognition with transaction costs recognized in profit or loss. Financial assets are also classified as financial assets at FVTPL if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in profit or loss. Cash is classified in this category.

Derivatives that are financial assets are classified as financial assets at FVTPL unless they are designated as, and are effective, hedging instruments.

Financial liabilities

The Company classifies its financial liabilities on initial recognition as either FVTPL or other liabilities measured at amortized cost. Financial liabilities are initially recognized at fair value less related transaction costs. Financial liabilities classified as other liabilities are measured at amortized cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the financial liabilities are recognized in interest expense over the expected life of the debt. The Company's financial liabilities that are classified as FVTPL are initially recognized at fair value and are subsequently remeasured at fair value each reporting period, with changes in the fair value recognized in net income.

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

2. Summary of significant accounting policies (continued)

Financial instruments - classification and measurement (Continued)

Loans and receivables

Loans and receivables (including trade, other receivables and long-term receivables with terms of more than one year) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either FVTPL or available-for-sale. Such assets are carried at amortized cost using the effective interest rate method, less any impairment losses, with gains and losses recognized in profit and loss when the asset is derecognized or impaired. Loans yielding interest at normal market rates are reported at face value, while non-interest bearing loans and loans not at market rates are discounted to present value using a risk adjusted discount rate.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are measured at amortized cost using the effective interest rate method, less any impairment losses. Impairment losses are recognized in profit and loss.

Available-for-sale financial asset

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other three stated categories. After initial recognition, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized in other comprehensive income until the asset is derecognized, or impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit or loss.

Impairment of financial assets

Financial assets, other than those at FVTPL and those available-for-sale measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in net income.

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

2. Summary of significant accounting policies (continued)

Impairment of financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to net income. Impairment losses previously recognized in net income are not reversed through net income. Any increase in fair value subsequent to an impairment is recognized in other comprehensive income.

3. Subsequent event

Private placement of Series A and B bonds

On March 8, 2017, the Company revised the terms and conditions of a proposed private placement described in a subsequent event note contained in a previous audited financial statement of the Company prepared for the purpose of the private placement. The revised terms and conditions of the private placement are set out below.

The Company is undertaking a brokered private placement of a minimum of \$1,000,000 aggregate principal amount of 8% fixed rate, secured bonds of the Company (the "Bonds") maturing on December 31, 2021 (the "Maturity Date") and a maximum of \$7,000,000 aggregate principal amount of Bonds. The price per Bond is \$1,000 and the minimum subscription is \$10,000 per subscriber. The Bonds shall be offered in two series: Series A Bonds and Series B Bonds. Interest accrued on the Series A Bonds shall be payable on a quarterly basis and interest accrued on the Series B Bonds shall be capitalized on a quarterly basis. The principal amount of the Bonds together with any accrued and unpaid interest thereon, plus a bonus equal to 10% of the principal amount shall be paid to the holders thereof upon the earlier of redemption by the Company and the Maturity Date.

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

4. Share capital

Authorized:

Unlimited Class A preferred voting shares without par value, non-participating

Unlimited Class B common non-voting shares without par value, participating

Issued:

Shares presented as financial liabilities

| | January 13, 2017 | |
|------------------------|------------------|----|
| Class A shares - 6,000 | \$ | 60 |
| | | |
| | \$ | 60 |

Shares are redeemable for \$60 upon termination of Target's Agreement, which can be terminated at anytime by Target Capital in the event of Material Breach by the Company.

Shares presented in shareholders' equity

| | January 13, 2017 | |
|------------------------|------------------|-----|
| Class A shares - 4,000 | \$ | 40 |
| Class B shares - 100 | | 100 |
| | | |
| | \$ | 140 |

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

5. Commitments

The Company intends to offer the Series A and B bonds through anyone, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives on the exempt market, parties related to the company or consultants of such parties. The Company will offer the selling agents as compensation up to 8% on the gross proceeds of the offering.

The Company entered into an agreement with Target Capital Inc. ("Target"), the majority shareholder holding 60% of the Class A preferred shares. Target is a publicly traded company listed on the TSX Venture Exchange, trading under the symbol "TCI". As per the agreement, the company has undertaken to pay to Target an annual fee in an amount equal to: (i) \$2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital outstanding on the last day of the month that the anniversary of the Target Agreement falls in that is in excess of \$500,000; plus (iii) applicable taxes.

The Company, as lender, will enter into a Loan Agreement with Prevtec, as Borrower. Pursuant to the terms and conditions of the Loan Agreement, the Company will provide one or more Loan Advances to Prevtec in the aggregate amount of up to \$7,000,000 to finance the business operations.

Upon the closing of each tranche of the Offering and following payment of an Administrative Fee by Prevtec to the Company, the Company shall disburse a Loan Advance to Prevtec in an amount equal to the gross proceeds from the closing. The Company will use the Administrative Fees to pay the Offering costs, selling commissions, and Target Fees payable in connection with the Offering. Upon completion of the Offering, Prevtec shall continue to pay Administrative Fees to the Company equal to the operating costs and other fees payable by the Company from time to time until the maturity date.

Each Loan Advance shall bear interest at rate equal to the corresponding amount of interest payable by the Company to the holders of bonds sold by the Company to finance the advance, payable at the time that the interest payments to such holders become due, and shall be repaid by Prevtec on the earlier of: (a) the date the bonds sold by the Company to finance the advance are redeemed by the Company; and (b) the maturity date of the bonds.

MarDi.info-Prevtect Inc.

Notes to the opening balance sheet

January 13, 2017

6. Financial risks

The company's risk management policies are established to identify, analyze and manage the risks faced by the company and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the company's activities and to ensure applicability.

In the normal course of business, the main risks arising from the company's use of financial instruments include market risk and liquidity risk. These risks, and the actions taken to manage them, include:

Credit:

This refers to the risk that the Company will incur a financial loss if the other party to a financial instrument fails to discharge an obligation. The maximum exposure to credit risk for the company at the end of a given period usually corresponds to the carrying amount of its financial assets exposed to such risk. The company intends to mitigate this risk by diversifying its lending opportunities and when possible, securing collateral.

Liquidity:

This refers to the possibility that the company will encounter difficulties in meeting the obligations associated with its financial liabilities, such as repayment to the bondholders as the bonds become due. It might prove difficult for the company to access short-term liquidities should it need them. In addition to the effects noted above, this limited liquidity may have an adverse effect on the company's investment performance. The company will constantly scrutinize its financial assets vis-à-vis its financial liabilities to keep the proper balance between having sufficient funds available to meet all its obligations, as they come due, and investing said funds to earn the best possible returns.

Market:

This refers to the variability in the fair value or future cash flows of a financial instrument caused by a change in market prices in items such as currency rates, interest rates and equity prices. The foreign exchange risk will be mitigated by investing in Canada only in the short-term. As for interest rates, there is a risk that the rates will fluctuate depending on market conditions and therefore impact the financial assets and liabilities of the company. The interest rate risk will be mitigated by having a fixed interest rate on the Series A & B bonds being issued in the OM.

MarDi.info-Prevtect Inc.

Notes to the opening balance sheet

January 13, 2017

7. Standards, amendments and interpretations not yet effective

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended January 13, 2017:

IFRS 9, Financial Instruments:

IFRS 9, Financial Instruments replaces IAS 39 – Financial Instruments: Recognition and Measurement. This standard presents two measurement categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flows' characteristics of the financial asset. Furthermore, the standard introduces a single forward-looking expected credit loss impairment model.

The standard is effective for annual periods beginning on or after January 1, 2018. The Fund is currently assessing the impact of this new standard on its opening balance sheet.

IFRS 15, Revenue from Contracts with Customers:

IFRS 15 replaces IAS 18 - Revenue, IAS 11 - Construction contracts and other revenue related interpretations. IFRS 15 provides for a single five-step model that applies to contracts with customers. The proposed framework establishes principles for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The new standard is effective for annual periods beginning on January 1, 2018. The Fund is currently assessing the impact of this new standard on its opening balance sheet.

IFRS 16, Leases:

IFRS 16 - Leases replaces IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer/lessee and the supplier/lessor. More specifically, IFRS 16 is requiring assessing whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time. In such cases, leases are capitalized as "right-of-use assets" or as "property, plant and equipment". Therefore, the new requirement eliminates the classification of leases as either operating leases or finance leases for a lessee.

The new standard is effective for annual periods beginning on January 1, 2019. The Company is currently assessing the impact of this new standard on its opening balance sheet.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

MarDi.info-Prevtect Inc.

Notes to the opening balance sheet

January 13, 2017

8. Capital management disclosures

The Company's capital structure has been defined by management as being comprised of shareholders' deficiency. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs. This is achieved by the Board of Directors review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Company monitors its capital structure using annual forecasted cash flows, exploration budgets and targets for the year as well as corporate capitalization schedules.

The Company currently has no source of revenues; as such the Company is dependent upon external financing to fund its activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities. To manage the capital structure the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants. The Company's approach to capital management has not changed over the last year.

9. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value reflects market conditions at a given date and, for this reason, may not be representative of future fair values or of the amount that will be realized upon settling the instrument.

The company has implemented a system to test fair value measurements. Management is responsible for overseeing any significant fair value measurements, specifically those categorized within level 3.

Management regularly reviews key unobservable inputs and measurement adjustments. If fair value is measured using third party information (broker ratings or external valuation services), management analyzes the information obtained to ensure that it complies with IFRS requirements and that the estimated fair value is categorized appropriately.

MarDi.info-Prevtec Inc.

Notes to the opening balance sheet

January 13, 2017

9. Fair Value (continued)

To the extent possible, the company uses data from observable markets to measure the fair value of an asset or liability. Fair value measurements are established based on a hierarchy into three levels that categorizes the inputs to valuation techniques.

Level 1

Fair value measurement based on quoted prices (unadjusted) observable in active markets for identical assets or liabilities.

Level 2

Fair value measurement using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3

Fair value measurement using inputs that are not based on observable market data (unobservable inputs).

Management considered that cash is of level 1 in the hierarchy of fair value measurements. The carrying amount of cash is of \$200 and it is considered to be its fair value.

ITEM 13. DATE AND CERTIFICATE

Dated June 5, 2017.

This Offering Memorandum does not contain any misrepresentation.

(s) Dany Bergeron

Dany Bergeron
President, Treasurer, Secretary and Director