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

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. These securities will not be offered or sold to, or for the account or benefit of, persons within the United States or "U.S. persons", as such term is defined in Regulation S under the U.S. Securities Act unless the securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. See "Plan of Distribution". This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy the securities offered hereby to, or for the account or benefit of, persons in the United States or U.S. persons.*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at our head office located at 2300 - 1177 West Hastings Street, Vancouver, BC V6E4X3, Telephone 604-674-7746, and are also available electronically at www.sedar.com.*

New Issue June 23, 2020

PRELIMINARY SHORT FORM PROSPECTUS

EXRO TECHNOLOGIES INC.

Up to $5,000,000
Up to 7,142,857 Units

This preliminary short form prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of up to 7,142,857 units (the "**Units**") of Exro Technologies Inc. ("**Exro**" or the "**Company**") at a price of $0.70 per Unit (the "**Offering Price**") for aggregate gross proceeds of up to $5,000,000. Each Unit will consist of one common share in the capital of the Company (each, a "**Common Share**", and each Common Share comprising a Unit, a "**Unit Share**") and one half (1/2) of one common share purchase warrant (with each whole common share purchase warrant being a "**Unit Warrant**"). Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment or acceleration in certain circumstances, one Common Share (each, a "**Unit Warrant Share**") at an exercise price of $0.90, until 5:00 p.m. (Toronto time) on the date that is 24 months from the Closing Date (as defined herein). The Units will immediately separate on issuance into Unit Shares and Unit Warrants. The Units will be offered and sold pursuant to the terms of an agreement (the "**Agency Agreement**") to be entered into between the Company and Gravitas Securities Inc. ("**Gravitas**" or the "**Lead Agent**"). See "*Plan of Distribution*". The Offering Price was determined by negotiation between the Company and the Lead Agent. The Lead Agent, at its sole discretion shall be entitled to invite other investment dealers or exempt market dealers to form a syndicate of agents (collectively with the Lead Agent, the "**Agents**") in connection with the Offering.

This Prospectus qualifies the distribution of the Unit Shares and the Unit Warrants comprising the Units, the Broker Warrants (as defined below) and the Corporate Finance Fee Shares (as defined below).

Exro is a British Columbia corporation incorporated under the *Business Corporations Act* (British Columbia). The outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the "**CSE**") under the trading symbol "XRO" and trade in the United States on the OTCQB Venture Exchange (the "**OTC**

Markets") under the trading symbol "EXROF". On June 22, 2020, the last trading day prior to the public announcement of the Offering and the filing of this Prospectus, the closing prices of the Common Shares on the CSE and the OTC Markets were $0.85 and US$0.612, respectively.

Price: $0.70 per Unit

	Price to Public	Agent's Fee[(1)]	Net Proceeds to the Company[(2)]
Per Unit	$0.70	$0.056	$0.644
Total[(3)(4)]	$5,000,000	$400,000	$4,600,000

Notes:

(1) In consideration of the services rendered by the Agents in connection with the Offering, the Company has agreed to pay the Agents, on the Closing Date a commission equal to: (i) 8% of the gross proceeds of the Offering payable in cash (the "**Agents' Fee**"); (ii) a number of common share purchase warrants (the "**Broker Warrants**") to purchase up to that number of Common Shares (each, a "**Broker Share**") that is equal to 8% of the aggregate number of Units issued under the Offering at an exercise price of $0.70 per Broker Share, exercisable until 5:00 p.m. (Toronto time) on the date that is 24 months from the Closing Date; and (iii) a corporate finance fee equal to 5% of the total Units issued under the Offering payable in Common Shares (the "**Corporate Finance Fee Shares**"). The Agents' Fee, Broker Warrants and Corporate Finance Fee Shares will be payable on the total gross proceeds of the Offering and the total number of Units issued, respectively, including proceeds and Units sold pursuant to the exercise of the Over-Allotment Option (as defined herein).

(2) After deducting the Agents' Fee, but before deducting the expenses related to the Offering, estimated at $250,000, which, together with the Agents' Fee, will be paid by the Company from the proceeds of the Offering. See "*Use of Proceeds*".

(3) Assuming the Offering is fully subscribed.

(4) The Company has agreed to grant to the Agents an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the Agents' sole discretion, to offer and sell up to an additional number of Units (the "**Additional Units**"), Unit Shares (the "**Additional Shares**"), and/or Unit Warrants (the "**Additional Warrants**") that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price (in respect of the Additional Units), at $0.50, in respect of the Additional Shares and at $0.40, in respect of the Additional Warrants, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times until the date that is 30 days immediately following the final Closing Date. The Over-Allotment Option may be exercised by the Agents in respect of: (i) Additional Units at the Offering Price; (ii) Additional Shares at a price of $0.50 per Additional Share, (iii) Additional Warrants at a price of $0.40 per Additional Warrant; or (iv) any combination of Additional Units, Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and the aggregate number of Additional Warrants does not exceed 15% of the number of Unit Shares and Unit Warrants, respectively, issued under the Offering (excluding the Over-Allotment Option). If the Offering is fully subscribed and the Agents exercise the Over-Allotment Option in full, the total price to the public, Agents' Fee and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately $250,000) will be $5,750,000, $460,000 and $5,290,000, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Shares and Additional Warrants, including Unit Shares and Unit Warrants issuable as part of the Additional Units issued or sold pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Agents' over-allocation position acquires such Additional Units, Additional Shares and/or Additional Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

This Prospectus also qualifies the grant of the Broker Warrants, the Corporate Finance Fee Shares and the Over-Allotment Option and the distribution of the Additional Units and/or Additional Shares and/or Additional Warrants issuable upon exercise of the Over-Allotment Option. See "*Plan of Distribution*". Unless the context otherwise requires, when used herein, all references to "Offering", "Units", "Unit Shares" and "Unit Warrants" include the Additional Units, the Additional Shares and the Additional Warrants, as applicable, issuable upon exercise of the Over-Allotment Option.

The following table sets out the number of securities that may be issued by the Company to the Agents pursuant to the Over-Allotment Option, the Broker Warrants and the Corporate Finance Fee Shares.

Agents' Position	Maximum Size or Number of Securities Available[(1)]	Exercise Period	Exercise Price
Over-Allotment Option	1,071,429 Additional Units	At any time, but not later than 30 days following the Closing Date	$0.70 per Additional Unit

Agents' Position	Maximum Size or Number of Securities Available[(1)]	Exercise Period	Exercise Price
Broker Warrants	657,142 Broker Warrants	At any time, but not later than 24 months following the Closing Date	$0.70 per Broker Warrant
Corporate Finance Fee Shares	410,714 Corporate Finance Fee Shares	N/A	N/A

Note:

(1) Assuming the Offering is fully subscribed and exercise of the Over-Allotment Option in full.

The Company has made an application to the CSE to list the Unit Shares (including the Additional Shares issuable upon exercise of the Over Allotment Option), the Unit Warrant Shares, the Corporate Finance Fee Shares and the Broker Warrant Shares offered under this Prospectus on the CSE. Such listing will be subject the fulfillment of all of the listing requirements of the CSE. The Unit Warrants, the Additional Warrants and the Broker Warrants will not be listed on the CSE.

There is no market through which the Unit Warrants may be sold and purchasers may not be able to resell the Unit Warrants purchased under this Prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*". There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete this Offering after raising only a small proportion of the Offering amount set out above.

Subject to applicable laws, the Agents may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Unit Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

This Offering is not underwritten or guaranteed by any person. The Offering is being conducted on a commercially reasonable efforts agency basis by the Agents who conditionally offer the Units for sale, if, as and when issued by the Company and delivered to and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP, and on behalf of the Agents by Wildeboer Dellelce LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Company has the right to reserve to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about July 17, 2020, or such other date not later than 90 days after the date of the receipt for the (final) short form prospectus (the "**Closing Date**").

An investment in the Units is highly speculative and involves significant risks. The risk factors outlined or incorporated by reference in this Prospectus should be carefully reviewed and considered by prospective purchasers in connection with their investment in the Units. See "*Cautionary Note Regarding Forward-Looking Information*" and "*Risk Factors*". Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess the income tax, legal and other aspects of the Offering.

Except as may be otherwise agreed by the Company and the Agents, it is expected that the Company will arrange for an instant deposit of the Units, Unit Shares and Unit Warrants to or for the account of the Agents with CDS Clearing and Depository Services Inc. ("**CDS**") on the Closing Date, against payment of the aggregate purchase price for the Units. Purchasers of Units will receive only a customer confirmation from the Agents or other registered dealer that is a CDS participant and from or through which a beneficial interest in the Units is purchased. See "*Plan of Distribution*".

Certain legal matters relating to the Offering will be passed upon by Stikeman Elliott LLP, on behalf of the Company, and by Wildeboer Dellelce LLP, on behalf of the Agents.

In this Prospectus, references to "Exro", the "Company", "we", "us" and "our" refer to Exro Technologies Inc. and/or, as applicable, one or more of its subsidiaries.

Investors should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide investors with different information. Neither the Company nor the Agents are making an offer of these securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Company's business, operating results, financial condition and prospects may have changed since that date.

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

Daniel McGahn, a director of the Company, resides outside of Canada and has appointed the following agent for service of process in Canada:

Name of Persons	Name and Address of Agent
Mr. Daniel McGahn	152928 Canada Inc. c/o Stikeman Elliott LLP Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Lead Agent, based on the current provisions of the Income Tax Act (Canada), including the regulations thereunder, (the "**Tax Act**"), the Unit Shares, Unit Warrants and Unit Warrant Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan ("**RESP**"), a deferred profit sharing plan, a registered disability savings plan ("**RDSP**") and a tax-free savings account ("**TFSA**"), as those terms are defined in the Tax Act (collectively, the "**Deferred Income Plans**"), provided that, at such time (a) in the case of Unit Shares and Unit Warrant Shares, the Unit Shares or the Unit Warrant Shares, as applicable, are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the CSE), and (b) in the case of the Unit Warrants, the Unit Warrant Shares acquired on the exercise of the Unit Warrants are listed on a "designated stock exchange" (which currently includes the CSE) and neither the Company, nor any person with whom the Company does not deal at arm's length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Deferred Income Plan.

Notwithstanding that a Unit Share, Unit Warrant or Unit Warrant Share may be a qualified investment for an RRSP, RRIF, RESP, RDSP or TFSA as discussed above, if the Unit Share, Unit Warrant or Unit Warrant Share is a "prohibited investment" for the purposes of the Tax Act, the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF, or the subscriber of an RESP, as the case may be, will be subject to penalty taxes as set out in the Tax Act. A Unit Share, Unit Warrant or Unit Warrant Share generally will not be a prohibited investment for a RRSP, RRIF, RESP, RDSP or TFSA if the annuitant or holder or subscriber, as the case may be, deals at arm's length with the Company for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Unit Warrant Shares will not be a prohibited investment if such securities are "excluded property" as defined in the Tax Act, for an RRSP, RRIF, RESP, RDSP or TFSA. **Prospective purchasers who intend to hold the Unit Shares, Unit Warrants and Unit Warrant Shares in a Deferred Income Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of documents incorporated by reference herein, as of the date of each such document.

Forward-looking information contained in this Prospectus includes statements with respect to:

- the timing and closing of the Offering;
- the satisfaction of the conditions to closing of the Offering, including the receipt, in a timely manner, of regulatory and other required approvals;
- the proposed use of proceeds of the Offering;
- the performance of the Company's business and operations;
- the intention to grow the business and operations of the Company;
- the intended expansion of the Company's services;

- the competitive conditions of the industry;
- the applicable laws, regulations and any amendments thereof; and
- the competitive and business strategies of the Company.

These statements and information are only predictions based on current information and knowledge, some of which may be attributed to third party industry sources. Actual future events or results may differ materially. Undue reliance should not be placed on such forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. More detailed assessment of the risks that could cause actual events or results to materially differ from the Company's current expectations can be found in the Annual Information Form (as defined below) under the heading "Risk Factors" filed with the Canadian securities authorities (on SEDAR at www.sedar.com) and under the heading "*Risk Factors*" in this Prospectus. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Prospectus or in any document incorporated by reference. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Exro at Suite 2300 - 1177 West Hastings Street, Vancouver, BC V6E4X3, Telephone 604-674-7746 and are also available electronically at www.sedar.com.

The following documents of Exro filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

1. the Company's annual information form dated June 1, 2020 (the "**Annual Information Form**") in respect of the fiscal year ended December 31, 2019;

2. the audited consolidated financial statements of the Company and the notes thereto as at and for the year ended December 31, 2019, together with the auditors' report thereon;

3. the management's discussion and analysis of financial conditions and operations of the Company for the year ended December 31, 2019 filed on April 29, 2020 (the "**Annual MD&A**");

4. the management information circular dated June 2, 2020 relating to the annual general meeting of shareholders of Exro to be held on July 7, 2020 (the "**Information Circular**");

5. the unaudited condensed interim consolidated financial statements of the Company and the notes thereto as at and for the three months ended March 31, 2020 (the "**Interim Financial Statements**");

6. management's discussion and analysis of financial conditions and operations of the Company for the three months ended March 31, 2020 filed on June 1, 2020 (the "**Interim MD&A**"); and

7. the material change report dated March 10, 2020 in respect of a private placement of 12,284,545 Common Shares.

Any document of the type referred to in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* (excluding confidential material change reports and excluding those portions of documents that are not required pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference herein) filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the distribution shall be deemed to be incorporated by reference in this Prospectus.

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

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are utilized by the Agents in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing material that has been, or will be, filed on SEDAR before termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus. The marketing materials can be viewed under the Company's profile on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

The Company's full corporate name is "Exro Technologies Inc.". The Company's head office is at 2300 – 1177 West Hastings Street, Vancouver, BC V6E 4XE and its registered and records office is at 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8.

The Company was incorporated under the Business Corporation Act (British Columbia) on February 11, 2014 under the name "BioDE Ventures Ltd." ("**BioDE**") as a wholly-owned subsidiary of Carrus Capital Corporation ("**Carrus**"). The Company entered into an arrangement agreement with Carrus on February 12, 2014, pursuant to which, Common Shares were distributed to the shareholders of Carrus. Following completion of the arrangement, the Company became a reporting company in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec.

On July 26, 2017, BioDE and its wholly owned subsidiary 10889001 BC Ltd. completed a transaction with Exro Technologies Inc. (a predecessor entity to the Company) whereby, pursuant to an amalgamation agreement, 10889001 BC Ltd. amalgamated with Exro Technologies Inc. and became a wholly-owned subsidiary of BioDE, with holders of Exro Technologies Inc. holding approximately 86% of BioDE immediately after the amalgamation (the "**RTO**"). The RTO was accounted for as an acquisition of BioDE by Exro. Upon closing of the RTO, the Company changed its name to "Exro Technologies Inc.".

Intercorporate Relationships

The Company has one wholly-owned subsidiary, DPM Technologies Inc., incorporated under the laws of British Columbia. The Company is the registered holder of 100% of the issued and outstanding shares of DPM Technologies Inc.

DESCRIPTION OF BUSINESS

Exro is a "clean tech" company that has developed coil driver technology that increases the efficiency and reliability of power systems, including electric motors. Exro's advanced motor control technology expands the capabilities of electric motors and powertrains. Exro's Coil Drive technology enables two separate torque profiles within a given motor. The first is calibrated for low speed and high torque, while the second provides increased efficiency and expanded operation at high speed. The controller automatically and seamlessly selects the appropriate configuration in real time so that torque demand and efficiency are optimized.

Limitations of traditional electric machines and power technology are becoming more evident. In many increasingly prominent applications, traditional methods cannot meet the required performance. This means either oversizing the equipment, adding additional motors, or implementing heavy mechanical geared solutions. Exro offers a new solution, Coil Drive technology, to allow a variable motor to switch coil configurations to permit increased torque or increased speed, negating the need for a separate gear box. The implementation of Coil Drive technology can yield the following results: increased drive cycle efficiency, reduced system volume, reduced size and weight, and expanded torque and speed capabilities. Exro's solution could have utility in many applications, particularly in transportation sectors.

Utilizing Exro's patented motor coil switching technology as a foundation, the Company has developed a new battery cell management software technology called the Intelligent Battery Management System ("**IBMS**"). Exro is optimistic that IBMS can become a market leader in second life battery technology. Exro's IBMS technology applies the principle of managing "energy" as it converts at the individual level to lithium ion batteries. Its topology of the system and intelligent algorithms control the battery cells at an individual level to extend life. For example, the new IEMS when fully commercialized, will allow for constant monitoring and manipulation of energy inflows and outflows, at rates of up to 100,000 manipulations per second. By utilizing the Company's technology to manage the charge and discharge of energy at the individual cell level of a lithium ion battery, Exro aims to improve battery performance and efficiencies, which could result in longer usage and a second life battery application.

Exro's business model is to develop strategic partnerships with companies that are established in their respective markets, specifically those that welcome innovation in their product lines and have adequate internal engineering capacity, growing sales and an existing customer base. In particular, companies that manufacture power systems such as batteries and/or generators or motors make ideal partners, as Exro's technology and engineering skillset act as the "intelligence" to enhance performance characteristics of overall power systems. Exro's partnership with Potencia Industrial, S.A. DE C.V. ("**Potencia**"), a motor/generator manufacturer, is a case in point.

RECENT DEVELOPMENTS

On January 15, 2020, the Company announced plans to open a 6,500 sq. ft. innovation center in Calgary, Alberta, to demonstrate how the Company significantly improves the performance of electric motors. The Exro Innovation Center ("**EIC**") will also increase the Company's laboratory space, allowing it to expand its service capabilities to customers and showcase areas in which the Company's technology can be applied to key sectors of the economy. The EIC will also host collaborative events to explore advances in energy consumption and electric motor innovations, with participants from Calgary, across Canada and international jurisdictions. The relocation of the laboratory space from Victoria, British Columbia, to Calgary, Alberta was complete in June. The Company plans to complete the improved full testing facility with a dynamometer bay and showcase space by the end of 2020.

On February 6, 2020, the Company announced a partnership with Finland's Aurora Powertrains Oy ("**Aurora**"), which in 2019 released an all-electric production snowmobile: the "eSled". The Company and Aurora will work to both increase motor performance while decreasing cost for future production. The partnership will see the

Company's technology being added to the Aurora electric powertrain, a further move to global commercialization of the Company's technology. According to the International Snow Machine Manufacturing Association, the snowmobile sector has a global imprint. In 2018, there were 124,786 snowmobiles sold worldwide. The International Snowmobile Manufactures Association estimates the annual economic impact of snowmobiling to be $26 billion in the United States, $8 billion in Canada and $5 billion in Europe and Asia.

On April 28, 2020, the Company announced that it signed a collaboration and supply agreement (the "**Supply Agreement**") with Clean Seed Capital Group Ltd. ("**Clean Seed**") to integrate the Company's technology into Clean Seed's high-tech agricultural seeder and planter platforms, advancing the electrification of one of the world's heavy-farm equipment. Under the Supply Agreement, Clean Seed will issue a purchase order to integrate the Company's electric-motor-enhancing technology into Clean Seed's latest technology offerings and beyond. Clean Seed, in collaboration with the Company, anticipates building a working prototype that is expected to be implemented in the field by late 2021.

On June 12, 2020, the Company sold its wholly owned subsidiary, Exro Europe AS ("**Exro Europe**") and related technology, back to RAW Holdings AS for a purchase price of $16,250. The sale was pursuant to the exercise of a re-purchase right as part of the Company's acquisition of Adaptive Technologies AS ("**Adaptive**") on August 29, 2018 (the "**Adaptive Agreement**"). Adaptive was subsequently renamed Exro Europe. Under the Adaptive Agreement, Adaptive shareholders had a right to re-purchase Exro Europe at 130% of the original purchase price in the event that the Company elected not to commercialize the technology from Adaptive. Exro made a choice to focus its efforts on commercializing the Coil Drive and the IBMS technologies. As a result of the sale of Exro Europe, the Company now holds 17 patents and has 18 patents pending.

On June 15, 2020, the Company announced it has initiated a collaboration agreement with Zero Motorcycles ("**Zero**") to evaluate Exro's patented coil drive technology using Zero's SR/S powertrain platform. Zero is a developer of electric-powered motorcycles offering what it believes to be a superior riding experience. In entering this agreement, Exro and Zero will collaborate to integrate Exro's Coil Drive technology into a Zero ZF75-10 based motorcycle. The agreement will involve motor technology and integration support from Zero, while Exro will provide power electronics design and supply.

On June 23, 2020, Exro also announced that it has completed a non-brokered private placement financing and raised $115,000 through the issuance of 287,500 Common Shares at a price of $0.40 per Common Share. The Common Shares are subject to a four month hold period from the date of issuance, pursuant to relevant prospectus or registration exemptions in accordance with applicable securities laws.

CONSOLIDATED CAPITALIZATION

Other than as listed in the "*Prior Sales*" section of this Prospectus, and other than as a result of this Offering, there have been no material changes in the Company's capital structure on a consolidated basis since the Company's Interim Financial Statements. As of the date hereof, the Company has 83,797,532 Common Shares issued and outstanding. Assuming the Offering is fully subscribed, there will be an aggregate of 90,940,389 Common Shares issued and outstanding (92,011,817 Common Shares if the Over-Allotment Option is exercised in full).

In addition, as of the date hereof, the Company has common share purchase warrants outstanding to purchase up to an aggregate of 1,399,048 Common Shares. Assuming the Offering is fully subscribed, the Company will have common share purchase warrants outstanding to purchase up to an aggregate of 4,970,476 Common Shares (5,506,190 Common Shares if the Over-Allotment Option is exercised in full).

The Company also has options outstanding exercisable for 8,997,500 Common Shares under its incentive stock option plan.

The above should be reviewed in conjunction with the Interim Financial Statements of the Company.

USE OF PROCEEDS

Principal Purposes

The estimated net proceeds from the Offering, assuming the Offering is fully subscribed, after payment of the Agents' Fee and estimated expenses of the Offering of $400,000 and $250,000, respectively, will be approximately $4,350,000 ($5,040,000 if the Over-Allotment Option of $750,000 is exercised in full).

The following table summarizes the expenditures anticipated by the Company required to achieve its business objectives, with cash and cash equivalents on hand of $2,047,508 as of June 15, 2020, during the 12 months following the date hereof:

Principal Purpose	**Approximate Use of Net Proceeds ($)**
Research and development	2,500,000
Marketing and sales	1,500,000
General and administrative	1,500,000
Capital investment	700,000
Total use of existing cash and net proceeds	**6,200,000**

Since the fall of 2019, the Company signed six partnership agreements in various types of electric vehicle production companies: Motorino Electric ("**Motorino**"), Potencia, Templar Marine Group Ltd. ("**Templar**"), Aurora, Clean Seed and Zero. The current objective is to close two more partnership deals by the end of this year, through continuing the discussions with potential partners and increased brand awareness with continued marketing campaigns and trade shows.

With the net proceeds of the Offering, the Company aims to complete the proof-of-concept to market process, building a functional prototype with full drivability and a high level of maturity, with the current partners in the following three segments of the electric vehicle market during next 12 to 18 months:

Segment	**Coil Driver**	**Target Time**	**Partners**	**Budget ($)**
Micro Electric Vehicles (MEV)	48 to 100 Volts	December 2020	Motorino, Zero	550,000
Light Electric Vehicles (LEV)	400 Volts	March 2021	Potencia, Aurora, Templar Marine	600,000
Commercial Electric Vehicles (CEV)	800 Volts	October 2021	Clean Seed	650,000
IBMS		December 2020	In discussion	700,000
Research and development total				**2,500,000**

All research and development activities are done in-house. Exro has been actively building its engineering team and continues to seek to recruit top talent. The Company subcontracts only material items such as mechanical build-ups. For the 400 volts coil driver, the Company subcontracts out the hardware build-up to speed up the proof-of-concept to market process to meet the target timeline.

If the Offering is not fully subscribed, this could result in delays to the timeline for completing the Company's planned programs, including the IBMS development. Currently, Exro has six Coil Drive partnership programs under development as well as proof of concept work underway for the IBMS technology.

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

The Company's goal is to become profitable as quickly as possible without stunting growth. This is expected to take place primarily through revenue generated from strategic partnerships which may include: licensing the Company's technology, hardware/software sales and service revenue.

Exro's future is focused on securing and processing strategic partnership arrangements. It is the Company's goal to evolve every collaboration into a commercial licensing arrangement. The central purpose of a collaboration will be to determine the economic benefits when the Company's technology is integrated into an electric motor and/or a generator for a particular application. This process will become more systematized as third-party commercial case studies demonstrate efficiencies in target applications.

If the Over-Allotment Option is exercised in full, the Company will receive additional net proceeds of $690,000 after deducting the Agent's Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be added to working capital.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The authorized capital of the Company is an unlimited number of Common Shares without par value. As at June 23, 2020, the Company had 83,797,532 Common Shares issued and outstanding, 8,997,500 options outstanding (of which, 5,575,581 had vested) and common share purchase warrants outstanding to purchase up to 1,399,048 Common Shares.

The Common Shares are not subject to any further call or assessment, do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to benefits that may accrue to the holders of the Common Shares. All holders of Common Shares are entitled to receive a notice of any meeting of the shareholders of Exro. Voting rights may be exercised in person or by proxy. The holders of Common Shares are entitled to share rateably in any distribution of the assets of the Company upon liquidation, dissolution or winding-up, after satisfaction of all debts and other liabilities. The board of directors of the Company (the "**Board**") is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action, subject to applicable laws and the CSE rules.

Holders of Common Shares are entitled to receive dividends on a pro rata basis if, as and when declared by the Board in respect of the Common Shares. The Board has no current intention to declare dividends on the Common Shares. See "*Risk Factors*".

Warrants

The Unit Warrants to be issued under the Offering will each be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and TSX Trust Company (the "**Warrant Agent**"). The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference should be made to the Warrant Indenture for the full text of attributes of the Unit Warrants, which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering.

The Unit Warrants and Unit Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Unit Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

Each Unit Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, a Unit Warrant Share at an exercise price of $0.90 until the date that is 24 months following the Closing Date, after which time the Unit Warrants will be void and of no value.

The Warrants will be subject to an acceleration right (the "**Warrant Acceleration Right**") if, on any 20 consecutive trading days, beginning on the date that is four months and one day following the Closing Date, the daily volume weighted average trading price of the Common Shares on a recognized stock exchange is greater than $1.50 per Common Share. If the Company exercises its Warrant Acceleration Right, the new expiry date of the Warrants will be the 30th day following the notice of such exercise.

The Unit Warrants may be issued in uncertificated form. Any Unit Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Unit Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrantholders to be maintained by the Warrant Agent at its principal offices in Vancouver, British Columbia.

The Warrant Indenture will provide that the share ratio and exercise price of the Unit Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Warrant Indenture will also provide that if there is: (i) a reclassification or change of the Common Shares, (ii) any consolidation, amalgamation, arrangement or other business combination of the Company resulting in any reclassification, or change of the Common Shares into other shares, or (iii) any sale or conveyance of all or substantially all of the Company's assets to another entity, then each holder of a Unit Warrant which is thereafter exercised shall receive, *in lieu* of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Unit Warrants prior to the event.

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

No fractional Common Shares will be issuable to any holder of Unit Warrants upon the exercise thereof, and no cash or other consideration will be paid *in lieu* of fractional shares. The holding of Unit Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Unit Warrants except as expressly provided in the Warrant Indenture. Holders of Unit Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Unit Warrants may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Unit Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Unit Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of the Unit Warrants at which there are holders present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Unit Warrants and passed by the affirmative vote of holders representing not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants represented at the meeting and voted on the poll upon such resolution or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants.

PLAN OF DISTRIBUTION

Pursuant to the terms and conditions of the Agency Agreement, the Company has engaged the Agents as its agents to offer for sale to the public on a commercially reasonable efforts basis up to 7,142,857 Units at a price of $0.70 per Unit, for aggregate gross consideration of up to $5,000,000 payable in cash to the Company against delivery of the Units. The Offering Price was determined by negotiation between the Company and the Lead Agent. The obligations of the Agents under the Agency Agreement will be several (and not joint or joint and several), will be subject to certain closing conditions and may be terminated at their discretion on the basis of "material change out", "disaster out", "regulatory out", "market out", "due diligence out" and "breach out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agents are not obligated to purchase any Units under the Agency Agreement.

There is no minimum amount of funds that must be raised under this Offering. This means that the Company could complete this Offering after raising only a small proportion of the Offering amount set out above.

The Company has agreed to grant to the Agents the Over-Allotment Option exercisable, in whole or in part, at the Agents' sole discretion, to offer and sell up to a number of Additional Units, Additional Shares, and/or Additional Warrants that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price, in respect of the Additional Units, at $0.50, in respect of the Additional Shares, and at $0.40, in respect of the Additional Warrants, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times during the 30-day period immediately following the final Closing Date. The Over-Allotment Option may be exercised by the Agents in respect of: (i) Additional Units at the Offering Price; (ii) Additional Shares at a price of $0.50 per Additional Share, (iii) Additional Warrants at a price of $0.40 per Additional Warrant; or (iv) any combination of Additional Units, Additional Shares, and/or Additional Warrants issued under the Offering (excluding the Over-Allotment Option).

In consideration for the services provided by the Agents in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Company has agreed to pay the Agents: (i) the Agents' Fee equal to 8% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option); (ii) the Broker Warrants in the amount of which is equal to 8% of the total number of Units issued under the Offering (including exercise of the Over-Allotment Option); and (iii) the Corporate Finance Fee Shares in the amount of which is equal to 5% of the total number of Units issued under the Offering (including exercise of the Over-Allotment Option).

The Offering is being made in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Units will be offered in each of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario through those Agents or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Agents.

The Unit Shares, Unit Warrants and Unit Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Unit Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

Subject to applicable law, the Agents may offer the Units in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Agents.

The Company has made an application to the CSE to list the Unit Shares, the Unit Warrant Shares, the Corporate Finance Fee Shares and the Broker Warrant Shares offered under this Prospectus on the CSE. Such listing will be subject the fulfillment of all of the listing requirements of the CSE. The Unit Warrants and the Broker Warrants will not be listed on the CSE.

Pursuant to the Agency Agreement to be entered into between the Lead Agent and the Company, the Company will agree not to issue any additional equity or quasi-equity securities for 90 days from the date of closing of the Offering without prior written consent of the Lead Agent except in conjunction with: (i) the grant or exercise of stock options

and other similar issuances pursuant to the restricted share unit plan of the Company and other share compensation arrangements, (ii) pursuant to the exercise of outstanding warrants, options or convertible debentures (iii) obligations in respect of existing agreements, and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business, such consent not to be unreasonably withheld (the "**Standstill**"). The Standstill will not apply to any offering of securities by the Company by private placement or public offering to be issued and sold where ThinkEquity, a Division of Fordham Financial Management, Inc. ("**ThinkEquity**") acts as an advisor, underwriter or placement agent to the Company and, in such case, the Company agrees (subject to the agreement of ThinkEquity) to instead provide the Lead Agent with the right and opportunity to participate in the syndicate or selling group of any such offering.

It will be a condition of closing of the Offering under the Agency Agreement, that the Company's officers, directors and certain shareholders holding 5% or more of the Common Shares (collectively, the "**Locked-Up Persons**") agree that they will not, for a period commencing on the closing of the Offering and ending six months thereafter directly or indirectly, offer, sell, or agree to sell any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares, directly or indirectly, unless (i) they first obtain the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, or (ii) there occurs a take-over bid or similar transaction involving a change of control of the Company. It will be a condition of closing that lock-up agreements, in a form satisfactory to the Lead Agent in respect of the foregoing be delivered by each of the Locked-Up Persons.

Pursuant to the Agency Agreement to be entered into between the Lead Agent and the Company, upon and contingent upon closing of the Offering until a period that is one year from the Closing Date, the Lead Agent will be provided with the exclusive right and opportunity to act as lead agent and sole book runner for any offering of securities of the Company to be sold in Canada, whether by private placement or public offering. This right does not apply to any offering of securities of the Company by private placement or public offering to be issued and sold where ThinkEquity acts as an advisor, underwriter or placement agent to the Company and, in such case, the Company will agree (subject to the agreement of ThinkEquity) to instead provide the Lead Agent with the right and opportunity to participate in the syndicate or selling group of any such offering.

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

Subscriptions will be received subject to rejection or allotment in whole or in part and the Agents reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about July 17, 2020, or such other date as may be agreed upon by the Company and the Agents. It is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required.

Pursuant to the terms of the Agency Agreement, the Company will agree to reimburse the Agents for certain expenses incurred in connection with the Offering and to indemnify the Agents and their directors, officers, employees, and agents against, certain liabilities and expenses and to contribute to payments the Agents may be required to make in respect thereof.

Any Units offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly such securities may not be offered or sold in the United States (if at all) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agents may offer and sell the Units to persons who are "qualified institutional buyers", as such term is defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**"), in compliance with Rule 144A under the U.S. Securities Act and applicable United States state securities laws. The Agents will offer and sell the Units outside the United States only in accordance with Regulation S under the U.S. Securities Act. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units offered under the Offering in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units in the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made other than in accordance with an exemption from such registration requirements.

Any Units offered or sold in the United States will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable United States state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable United States state securities laws.

PRIOR SALES

The following table summarizes the issuances by the Company of Common Shares, and stock options and common share purchase warrants exercised for or converted into Common Shares within the 12 months prior to the date of this Prospectus:

Date	Type of Security	Price per Security	Number of Securities
August 20, 2019	Warrant exercise	$0.20	40,040
September 27, 2019	Option exercise	$0.20	150,000
October 21, 2019[(1)]	Common Shares	$0.27	5,202,610
October 30, 2019[(1)]	Common Shares	$0.27	820,500
November 5, 2019	Common Shares	$0.27	700,000
January 7, 2020	Warrant exercise	$0.35	110,600
January 8, 2020	Warrant exercise	$0.35	17,500
January 9, 2020	Warrant exercise	$0.35	160,935
January 14, 2020	Warrant exercise	$0.35	24,500
January 16, 2020	Option exercise	$0.20	127,500
January 17, 2020	Warrant exercise	$0.35	122,800
February 5, 2020	Warrant exercise	$0.35	28,000
February 14, 2020[(2)]	Common Shares	$0.35	10,030,648
February 17, 2020	Warrant exercise	$0.35	62,125
February 27, 2020[(2)]	Common Shares	$0.35	2,253,897
March 10, 2020	Warrant exercise	$0.25	65,000
May 28, 2020	Warrant exercise	$0.40	53,655

Date	Type of Security	Price per Security	Number of Securities
May 29, 2020	Warrant exercise	$0.40	26,250
June 8, 2020	Option exercise	$0.41	200,000
June 8, 2020	Warrant exercise	$0.42	60,305
June 9, 2020	Warrant exercise	$0.40	84,013
June 9, 2020	Warrant exercise	$0.42	15,750
June 10, 2020	Warrant exercise	$0.40	55,966
June 15, 2020	Option exercise	$0.20	100,000
June 16, 2020	Warrant exercise	$0.42	7,210
June 17, 2020	Warrant exercise	$0.42	15,400
June 19, 2020	Warrant exercise	$0.42	7,000
June 19, 2020	Warrant exercise	$0.40	4,234
June 23, 2020	Common Shares	$0.40	287,500

Notes:

(1) On October 21, 2019, the Company closed the first tranche of a private placement of 6,023,110 Common Shares at a price of $0.27 per Common Share for gross proceeds of $1,626,240. The Company paid finders fees of $71,096 and issued 243,718 broker warrants exercisable into Common Shares at a price of $0.40 per Common Share with a twelve-month expiry. Subsequent to such issuance, 12,950 broker warrants were cancelled, leaving 250,368 outstanding. In connection with the closing of the second tranche of the private placement on October 30, 2019, pursuant to which 820,500 additional Common Shares were issued, 19,600 broker warrants were issued, exercisable into Common Shares at a price of $0.40 per Common Share with a twelve-month expiry.

(2) On February 14, 2020, the Company closed the first tranche of a private placement of 12,284,545 Common Shares at a price of $0.35 per Common Share for gross proceeds of $4,299,590. The Company paid finders fees of $347,954 and issued 683,967 broker warrants exercisable into Common Shares at a price of $0.42 per Common Share with a twelve-month expiry. In connection with the closing of the second tranche of the private placement on February 27, 2020 pursuant to which 2,253,897 additional Common Shares were issued, 60,688 broker warrants were issued exercisable into Common Shares at a price of $0.42 per Common Share with a twelve-month expiry.

TRADING PRICE AND VOLUME

The Company's outstanding Common Shares are listed for trading on the CSE under the symbol "XRO". The following table sets forth the high and low trading price and trading volumes of the Common Shares as reported by the CSE for the periods indicated:

COMMON SHARES			
Month	**High($)**	**Low($)**	**Volume**
June 2019	$0.245	$0.21	1,276,553
July 2019	$0.23	$0.18	1,561,921
August 2019	$0.22	$0.19	1,531,483
September 2019	$0.325	$0.19	6,687,846
October 2019	$0.30	$0.26	1,774,410

COMMON SHARES			
Month	**High($)**	**Low($)**	**Volume**
November 2019	$0.34	$0.26	1,845,684
December 2019	$0.335	$0.285	1,629,726
January 2020	$0.62	$0.35	9.028,585
February 2020	$0.54	$0.38	4,467,655
March 2020	$0.47	$0.22	5,682,773
April 2020	$0.43	$0.285	3,983,912
May 2020	$0.55	$0.40	8,193,272
June 1-22, 2020	$1.23	$0.57	21,774,934

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the lead Agent, the following is, as of the date of this Prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires a Unit, consisting of one Unit Share and one Unit Warrant, pursuant to the Offering.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares, Unit Warrants and Unit Warrant Shares acquired pursuant to this Offering, and who, for the purposes of the Tax Act, and at all relevant times, (i) deals at arm's length with the Company and the Agents, (ii) is not affiliated with the Company or the Agents, and (iii) who acquires and holds the Unit Shares, the Unit Warrants and upon exercise of the Unit Warrants will hold the Unit Warrant Shares acquired on the exercise of the Unit Warrants as capital property (a "**Holder**"). For purposes of this summary, references to "Shares" shall include Unit Shares and Unit Warrant Shares unless otherwise indicated. Generally, the Shares and Unit Warrants will be considered to be capital property to a Holder provided that the Holder does not acquire or hold the Shares or Unit Warrants in the course of carrying on a business of trading or dealing in securities or as part of one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as each term is defined in the Tax Act, with respect to the Shares or Warrants. Such Holders should consult their own tax advisors with respect to an investment in Units.

This summary is based upon the current provisions of the Tax Act as of the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all, and where the Tax Proposals are not enacted or otherwise implemented, the tax consequences may not be as described below in all cases. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

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

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the Unit Warrant comprising such Unit to determine the respective costs of each to such Holder for purposes of the Tax Act. For its purposes, the Company intends to allocate $0.50 to each Unit Share and $0.20 to each one half of a Unit Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder.

A Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

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

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("**Resident Holder**"). A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act), held by such Resident Holder, in the taxation year of the election and each subsequent taxation year to be capital property. This election is not available with respect to Unit Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Unit Warrants

In the event of the expiry of an unexercised Unit Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Unit Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dividends

Dividends received or deemed to be received on the Shares are required to be included in computing a Resident Holder's income for a taxation year. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" (as defined in the Tax Act) designated by the Company in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends."

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Shares must be

included in computing its income but generally will be deductible in computing its taxable income for that taxation year. A Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Dispositions of Shares and Unit Warrants

Upon a disposition (or a deemed disposition) of a Share or a Unit Warrant (other than on the exercise of a Unit Warrant and excluding a disposition on the expiry of a Unit Warrant), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such Share or Unit Warrant to the Resident Holder immediately prior to the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

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

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

Refundable Tax

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

Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts designated within the Tax Act, may give rise to an alternative minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of such minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act, (i) are not and are not deemed to be resident in Canada for the purposes of the Tax Act or any applicable income tax treaty or convention, and (ii) do not and will not use or hold (or be deemed to use or hold) the Shares or Unit Warrants in carrying on a business in Canada ("**Non-Resident Holders**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere, or that is an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax

advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty or convention. For example, under the *Canada-United States Tax Convention* (1980), as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is the beneficial holder of the dividends, and is fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Shares and Unit Warrants

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

Provided the Shares are listed on a "designated stock exchange", as defined in the Tax Act (which includes the CSE), at the time of disposition, the Shares and Unit Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, and partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with any combination of such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, in respect of, an interest or civil law right in, any such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Shares or Unit Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "Holders Resident in Canada — Dispositions of Shares and Unit Warrants". Non-Resident Holders whose Shares or Unit Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

There may be additional considerations not described herein in respect of the acquisition, disposition, or holding of Shares or Unit Warrants by a Non-Resident Holder. Non-Resident Holders who dispose of Shares to the Company should consult their own tax advisors having regard to their particular circumstances.

RISK FACTORS

An investment in the Units involves a high degree of risk. ***Before making an investment decision, prospective purchasers should carefully consider the risks and uncertainties described below, as well as the other information contained in or incorporated by reference in this Prospectus, including without limitation the risk factors described under the section "Risk Factors" in the Annual Information Form and under "Risks and Uncertainties" in the Annual MD&A.***

These risks and uncertainties are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's business and operations. If any such risks actually occur, the Company's business, financial condition and operating results could be materially harmed.

Failure to develop our internal controls over financial reporting as we grow could have an adverse impact on us.

As Exro matures, it will need to continue to develop and improve its current internal control systems and procedures to manage its growth. Exro is required to establish and maintain appropriate internal controls over financial reporting. Failure to establish appropriate controls, or any failure of those controls once established, could adversely impact Exro's public disclosures regarding its business, financial condition or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in the Company's internal controls over financial reporting, disclosure of management's assessment of internal controls over financial reporting or disclosure of Exro's public accounting firm's attestation to or report on management's assessment of internal controls over financial reporting may have an adverse impact on the price of the Common Shares.

Reliance on Management and Employees

Our performance will be largely dependent on the talents and efforts of highly skilled individuals. The loss of one or more members of our management team or other key employees or consultants could materially harm our business, financial condition, results of operations and prospects. Our future success depends on our continuing ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of our organization. We face competition for personnel and consultants from other companies, universities, public and private research institutions, government entities and other organizations. If we do not succeed in attracting the necessary personnel or in retaining or motivating them, we may be unable to grow effectively. In addition, our future success will depend in large part on our ability to retain key consultants and advisors. It cannot be assured that any skilled individuals will agree to become an employee, consultant, or independent contractor of the Company. Our inability to retain their services could negatively impact our business and our ability to execute our business strategy.

The Company is subject to various government laws and regulations.

We are subject to various federal, provincial and local laws and regulations affecting corporations and the trading of our securities including, but not limited to, the *Business Corporations Act* (British Columbia), the *Securities Act* (British Columbia), the *Income Tax Act* (Canada) and the *Income Tax Act* (British Columbia), as well as various regulatory bodies such as the British Columbia Securities Commission, the CSE and the OTCQB Venture Market. In the event we are unable to remain in compliance with all of the regulations applicable to the Company and its operations it could negatively impact our business and our ability to execute our business strategy.

Further, as our technology is commercialized, products using our technology may be subject to a variety of laws and regulations both domestic and international. In the event we are unable to comply with any laws and regulations affecting such products, it may have a negative material impact on our business, operations, and financial performance.

The technology industry is very competitive, and we may be unable to compete with companies with greater financial or technical resources than us, which could negatively affect our operations.

The technology industry is characterized by rapid technological developments and a high degree of competition. Access to patents and other protection for technology and products, the ability to commercialize technological developments, access to necessary capital, access to market channels and the ability to obtain necessary approvals for testing, manufacturing and commercialization will impact our potential success. Continued development in different product ranges will require continued investment in research and development. Lab equipment and capital expenditures will also be required for growing to larger ratings.

Exro will be competing with other technology firms in the clean technology space or with other companies with

similar technologies. These companies, as well as academic institutions, government agencies and private research organizations, also compete with us in research and development, product development, and market and brand development. Additionally, these companies all compete for highly qualified scientific personnel and consultants, and capital from investors.

Timing of the market introduction of our technology or of competitors' technologies or products may be an important competitive factor. Accordingly, the relative speed with which we can complete project development, conduct appropriate safety testing and manufacture, will also be determining factors in our ability to compete successfully in the markets we enter.

Reliance on Partners

The Company assumes that the collaborating partners will perform and deliver on development targets as agreed and planned, although there is a risk that they won't, and the corporation operates under the constraint that the partner is not under its control. A larger tier partnership may require longer development times compared to a smaller company. A smaller tier partnership may not hold enough sales volume to be worth the development efforts and resources.

Reliance on Suppliers

The Company faces a third-party risk, should suppliers for components and power electronics not deliver on one or more dimensions of scope, time and cost. The Company will reduce the probability of occurrence by ensuring that the suppliers have clear statements of work, and comprehensive design specifications to work to that are documented, reviewed and approved with participation of the supplier as well as the partner.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Unexpected challenges during product development are inherent in new technology, in that an early stage technology could present unexpected challenges that exceed the allocated resources. The Company will reduce the probability of occurrence by careful project management.

The Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company does not achieve revenues to offset these expected operating expenses, the Company will never be profitable which would, among other things, limit the Company's ability to grow.

Technology cannot be effectively commercialized

The Company's technology is currently in the commercialization phase. There is a risk that the technology and the Company's products will not perform as expected in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. This means that the Company may never receive revenues or return on its technology development.

Technical Risks

Technical risks are inherent in the development and commercialization process, in that an immature technology could present unexpected challenges that exceed the planned time or financial resources to overcome. There can be no guarantee that the Company will be able to overcome technical risks associated with the development of its technology.

Additional Financing

Since inception, the Company has not generated revenues and has incurred losses and has an accumulated deficit of $25,268,264 as of December 31, 2019. As the Company has no revenue, in order to execute the anticipated growth strategy, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect on the development of the technology and upon future profitability.

Ability to Protect Proprietary Rights

The Company's success will depend in part on its ability and that of its corporate collaborators to obtain and enforce and protect patents and maintain trade secrets, in Canada, the United States and in other countries. There is a risk that the Company may not be able to obtain and enforce patents and maintain its trade secrets.

Patent law relating to the scope and enforceability of claims in the fields in which we operate is still evolving. There can be no assurance that patents will issue from any of the pending patent applications. In addition, there may be issued patents and pending applications owned by others directed to technologies relevant to our or our collaborators' research, development and commercialization efforts. There can be no assurance that our or any corporate collaborators' technology can be developed and commercialized without a license to such patents or that such patent applications will not be granted priority over patent applications filed by us or one of our collaborators.

Our commercial success depends significantly on our ability to operate without infringing the patents and proprietary rights of third parties, and there can be no assurance that our and our collaborators' technologies and products do not or will not infringe the patents or proprietary rights of others.

There can be no assurance that third parties will not independently develop similar or alternative technologies to ours, duplicate any of our technologies or the technologies of our collaborators or our licensors, or design around the patented technologies developed by us, our collaborators or our licensors. The occurrence of any of these events would have a material adverse effect on our business, financial condition and results of operations.
Litigation may also be necessary to enforce patents issued or licensed to us or our collaborators or to determine the scope and validity of a third party's proprietary rights. We could incur substantial costs if litigation is required to defend ourselves in patent suits brought by third parties, if we participate in patent suits brought against or initiated by our collaborators or if we initiate such suits, and there can be no assurance that funds or resources would be available in the event of any such litigation. An adverse outcome in litigation or an interference to determine priority or other proceeding in a court or patent office could subject us to significant liabilities, require disputed rights to be licensed from other parties or require us or our collaborators to cease using certain technology or products, any of which may have a material adverse effect on our business, financial condition and results of operations.

Project Management

The Company on its own or in collaboration with partners, is involved in various projects to commercialize the technology. There is inherent risk in project execution due to the structure of the project, which involves several parties undertaking specific work in different geographic locations, and having to coordinate in real time.

Operating Risk and Insurance Coverage

We currently carry insurance to protect our assets, operations and employees. While Exro believes insurance coverage can adequately address many of the material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for all risks and hazards to which we may become exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if Exro were to incur such liability at a

time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Our technology may be unable to achieve broad market acceptance and, consequently, limit our ability to generate revenue and profits from new products.

Even when product development is successful our ability to generate significant revenue and profits depends on the acceptance of our products by our customers and end users of the products, such as companies or individuals purchasing vehicles incorporating our technology. The market acceptance of any product depends on a number of factors, including but not limited to awareness of a product's availability and benefits, the price and cost-effectiveness of our products relative to competing products; general competition, and the effectiveness of marketing and distribution efforts. Any factors preventing or limiting the market acceptance of our technology could have a material adverse effect on our business, results of operations and financial condition.

Product liability lawsuits against us could cause us to incur substantial liabilities, and we may be subject to product recalls for product defects that are self-imposed or imposed by regulators.

In the event of a failure of a future product incorporating our technology, such as a recreational vehicle or truck, we may be subject to potential product liability lawsuits. Under certain circumstances, our customers may be required to recall or withdraw the products incorporating our technology. Even if a situation does not necessitate a recall or market withdrawal, product liability claims may be asserted against the Company. Even if a product liability claim is unsuccessful, the negative publicity surrounding any assertion that the products caused illness or physical harm could adversely affect the Company's reputation and brand equity.

COVID-19

The outbreak of the the SARS-CoV-2 coronavirus ("**COVID-19**") pandemic may impact Exro's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. COVID-19 may represent a serious threat to the Company maintaining a skilled workforce and could be a healthcare challenge for the Company. There can be no assurance that Exro's personnel will not be impacted by COVID-19 and ultimately the Company may see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. Additional cybersecurity risks exist due to personnel working remotely. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that that Exro will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, may reduce share prices and financial liquidity and thereby that may severely limit the financing capital available.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations

Our business prospects and results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn, such as the recent global financial crisis, could result in a variety of risks to our business, including weaker demand for our product candidates and impairment of our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services. Any of the foregoing could harm our business, and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

If we are unable to develop sales, marketing and distribution capabilities or enter into agreements with third parties to perform these functions on acceptable terms, we may be unable to generate revenue.

Exro is still in the early stages of developing our marketing and sales capabilities. For any products we intend to introduce into the market, we will be required, at least initially, to enter into collaborations with customers and partners to perform these services. There can be no assurance that we will be able to enter into such arrangements on acceptable terms or at all. Any revenue we receive will depend upon the efforts of our customers and/or partners and there can be no assurance that our customers and. or partners will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any product. If we are not successful in commercializing any products in the future, either on our own or our customers and/or with partners, our business, financial condition and results of operations could be materially adversely affected.

Litigation

Exro may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect Exro's ability to continue operating and the market price for Exro's common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

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

The Common Shares currently trade on the CSE in Canada and the OTCQB Venture Exchange in the United States. The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, such as the COVID-19 pandemic, could adversely affect the market price for the Common Shares.

Dilution

As Exro has no revenue, we rely on raising additional equity capital or incur borrowings from third parties to finance our business. The Board has the authority, without the consent of any of the Company's shareholders, to cause the Company to issue more Common Shares. Consequently, shareholders may experience more dilution in their ownership of Exro in the future. The issuance of additional Common Shares would dilute shareholders' ownership in Exro.

Limited Operating History

The Company is an early-stage business venture focused on electric motor and generator technology, and is currently pre-revenue. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Operating results for future periods are subject to numerous uncertainties and it cannot be assured that the Company will achieve or sustain profitability. The Company's prospects must be considered in light of the risks encountered by companies in the early stage of development, particularly companies in new and rapidly evolving markets. Future operating results will depend upon many factors, including, but not limited to, the Company's success in attracting necessary financing, the Company's ability to establish credit or operating facilities, the Company's ability to develop and commercialize existing and new products, the Company's ability to successfully market the Company's products, the Company's ability to attract repeat customers, the Company's ability to control operational costs, the Company's ability in retaining motivated and qualified personnel, legal and regulatory developments in the jurisdictions in which the Company operates, as well as general economic conditions. It cannot be assured that the

Company will successfully address any of these risks.

Dividends

The Company has no earnings or history of paying dividends, and does not anticipate paying any dividends in the foreseeable future. In the event that the Company were to pay dividends such dividends would be subject to tax and potentially, statutory withholdings.

Conflict of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on Company's results of operations and financial condition.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

As a venture issuer, the Company is not required to make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting

In contrast to the certificate required for non-venture issues under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), our certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers of the Company are not required to make any representations that they have:

(a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by Exro in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In certain provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering which involves warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

INTERESTS OF EXPERTS

Certain legal matters in connection with this Offering will be passed upon by Stikeman Elliott LLP, on behalf of the Company, and by Wildeboer Dellelce LLP, on behalf of the Agents. As at the date hereof, the designated professionals of Stikeman Elliott LLP, as a group, and the designated professionals of Wildeboer Dellelce LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Dale Matheson Carr-Hilton Labonte LLP, the Company's auditors, have confirmed with respect to the Company, that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The registrar and transfer agent for the Common Shares is TMX Equity Transfer Services Inc. at its offices in Vancouver, British Columbia.

CERTIFICATE OF THE COMPANY

Dated: June 23, 2020

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

EXRO TECHNOLOGIES INC.

By: (Signed) SUE OZDEMIR
Chief Executive Officer

By: (Signed) JOHN MEEKISON
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

By: (Signed) MARK GODSY
Director

By: (Signed) JILL BODKIN
Director

CERTIFICATE OF THE AGENTS

Dated: June 23, 2020

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

GRAVITAS SECURITIES INC.

By: (Signed) BLAYNE CREED
Chief Executive Officer