PRELIMINARY SHORT FORM PROSPECTUS

New Issue September 28, 2007

ARISE TECHNOLOGIES CORPORATION

$30,000,040

21,428,600 Common Shares

This short form prospectus qualifies the distribution (the "Offering") of an aggregate of 21,428,600 common shares (the "Offered Shares") of ARISE Technologies Corporation (the "Company" or "ARISE") at a price of $1.40 per Offered Share (the "Offering Price"). The Offered Shares will be issued and sold pursuant to the terms of an underwriting agreement (the "Underwriting Agreement") dated as of September 28, 2007 between the Company and Canaccord Capital Corporation, Clarus Securities Inc., CIBC World Markets Inc., D&D Securities Company, Dundee Securities Corporation and Loewen, Ondaatje, McCutcheon Limited (collectively, the "Underwriters"). The Offering Price was determined by negotiation between the Company and the Underwriters. See "Plan of Distribution".

The outstanding common shares of the Company (the "Common Shares") are listed and posted for trading on the TSX Venture Exchange (the "Exchange") under the trading symbol "APV". On September 21, 2007, the last trading day prior to the pricing of the Offering the closing price of the Common Shares on the Exchange was $1.45. On September 27, 2007, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the Exchange was $1.80. The Company has applied to list the Offered Shares (including the Offered Shares issuable upon exercise of the Over-Allotment Option (as described below)) on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange.

Price: $1.40 per Common Share

	Price to the Public	Underwriters' Fee(1)	Net Proceeds to the Company(2)(3)
Per Common Share	$1.40	$0.084	$1.316
Total	$30,000,040	$1,800,002	$28,200,038

Notes:

(1) In consideration of the services rendered by the Underwriters in connection with the Offering, the Company has agreed to pay a commission to the Underwriters equal to 6.0% of the aggregate gross proceeds of the Offering (the "Underwriters' Fee").

(2) After deducting the Underwriters' Fee but before deducting expenses of the Offering, estimated to be $●, which will be paid from the proceeds of the Offering.

(3) The Company has granted the Underwriters an option (the "Over-Allotment Option") exercisable for a period of 30 days following the closing date of the Offering to purchase up to an additional 3,214,290 Offered Shares at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the Price to the Public, the Underwriters' Fee and the Net Proceeds to the Company (before deducting the estimated expenses of

the Offering) will be $34,500,046, $2,070,003 and $32,430,043, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Offered Shares issuable upon the exercise of the Over-Allotment Option. See "Plan of Distribution".

Underwriters' Position	Maximum Size or Number of Securities Held	Exercise Period	Exercise Price
Over-Allotment Option	3,214,290 Common Shares	30 days following completion of the Offering	$1.40
Total Securities Under Option	3,214,290 Common Shares		

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Definitive certificates representing the Offered Shares are expected to be available for delivery at the closing of the Offering which is expected to occur on or about October 15, 2007 or such other date as may be agreed between the Company and the Underwriters.

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement (see "Plan of Distribution"), and subject to the approval of certain legal matters on behalf of the Company by Gowling Lafleur Henderson LLP and on behalf of the Underwriters by Wildeboer Dellelce LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, effect transactions intended to stabilize or maintain the market price for the Offered Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

An investment in the Offered Shares is speculative and involves a high degree of risk. The risk factors and forward-looking statements identified in this short form prospectus and in the documents incorporated by reference herein should be carefully reviewed and evaluated by prospective investors before purchasing the securities offered hereunder. See "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors".

Unless otherwise indicated, all dollar amounts are in Canadian dollars.

The Company's registered and executive office is located at 65 Northland Road, Waterloo, Ontario N2V 1Y8 (519-725-2244).

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ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling Lafleur Henderson LLP, counsel for the Company, and Wildeboer Dellelce LLP, counsel for the Underwriters, based on the provisions of the *Income Tax Act* (Canada) (the "Tax Act"), the regulations thereunder (the "Regulations") and a certificate of an officer of the Company relating to certain factual matters, the Offered Shares offered hereby, if issued on the date hereof, would be qualified investments under the Tax Act and the Regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans as defined under the Tax Act.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this short form prospectus, including the documents incorporated by reference herein, and in other public announcements and statements by the Company is forward-looking and is subject to important risks and uncertainties. Forward-looking information includes information concerning the Company's future financial performance, business strategy, plans, goals and objectives. When used in such documents, the words "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "believes", or variations of such words and phrases often, but not always, identify forward looking statements. Forward-looking statements involve known and unknown risks. Factors which could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to successfully implement its strategic plan and whether such strategic plan will yield the expected benefits; the ability of the Company to develop, promote and protect the businesses in which the Company participates; the outcome of legal proceedings as they arise; general economic conditions and normal business uncertainty; the Company's ability to complete its expansion plans, successful completion of research and development programs; performance of the Company's management team and the Company's ability to attract and retain skilled employees; operating the Company's business profitably; fluctuations in revenue and foreign currency exchange rates; interest rate fluctuations and other changes in borrowing costs; changes in laws, rules and regulations applicable to the Company or the markets in which the Company operates; the ability to develop and maintain strategic relationships; the Company's use of the proceeds of this Offering and the factors identified under the heading "Risk Factors" in the Annual Information Form (as defined below), the management discussion and analysis, and this prospectus all incorporated by reference in this short form prospectus. Should one or more of the foregoing risks and uncertainties materialize, or should the Company's estimates or underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Forward-looking statements made in a document incorporated by reference in this short form prospectus are made as at the date of the original document, and have not been updated by the Company except as expressly provided for in this short form prospectus. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or any other reason.

DOCUMENTS INCORPORATED BY REFERENCE

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 Secretary of ARISE Technologies Corporation at the registered and executive office located at 65 Northland Road, Waterloo, Ontario N2V 1Y8 (519-725-2244) and are also available electronically at www.sedar.com.

The following documents filed with certain securities commissions or similar authorities in Canada are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

(a) the annual information form of the Company dated March 13, 2007 (the "Annual Information Form");

(b) the audited comparative consolidated financial statements of the Company for the years ended December 31, 2006 and 2005 together with the auditors' report thereon and the notes thereto, and management's discussion and analysis of the Company for the financial year ended December 31, 2006;

(c) the management information circular of the Company dated May 15, 2006 relating to the June 22, 2006 annual meeting of the shareholders of the Company and the management information circular of the Company dated April 9, 2007 in respect of the Annual and Special Meeting of the shareholders of the Company held on May 3, 2007;

(d) interim unaudited consolidated financial statements of ARISE for the six-month period ended June 30, 2007, together with notes thereto;

(e) management's discussion and analysis of financial condition and results of operation of ARISE for the six-month period ended June 30, 2007;

(f) the Company's material change report dated January 26, 2007 with respect to the sale by the Company of special warrants;

(g) the Company's material change report dated April 23, 2007 with respect to the sale by the Company of Common Shares;

(h) the Company’s material change report dated September 21, 2007 with respect to the Commerzbank AG credit facilities; and

(i) the Company's material change report dated September 27, 2007 with respect to the Offering.

All material change reports, (other than confidential material change reports), management prepared comparative interim financial statements, comparative audited financial statements and information circulars (excluding those portions which, pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators, need not be incorporated by reference in the prospectus), any document of the type referred to above or any business acquisition report filed by the Company with the securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference into and form an integral part of this short form prospectus. The documents incorporated or deemed incorporated by reference herein contain meaningful and material information relating to the Company and prospective purchasers of Offered Shares should review all information contained in this short form prospectus and the documents incorporated by reference before making an investment decision.

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

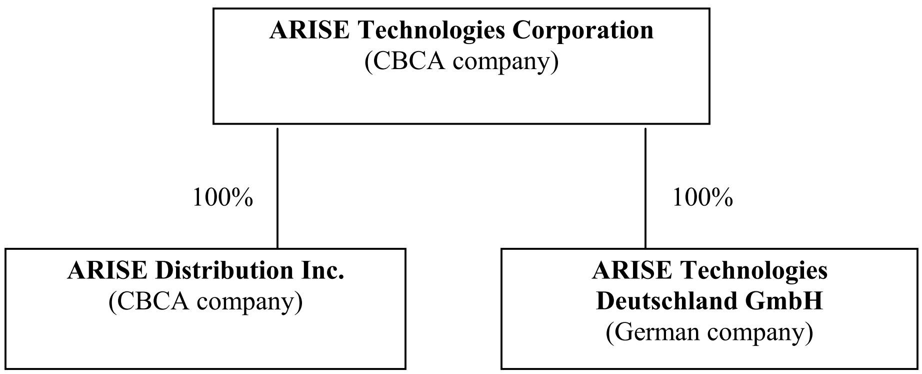
The statements contained in this short form prospectus are not necessarily complete and reference is made to the documents incorporated by reference herein.

THE COMPANY

Name and Incorporation

The Company was originally incorporated as CVCC Holdings Inc. on October 6, 1993 under the *Business Corporations* Act (British Columbia). By Articles of Amendment, the Company changed its name to ARISE Technologies Corporation on March 12, 1997. On June 30, 2003, ARISE continued its jurisdiction of incorporation from British Columbia to the federal Canadian jurisdiction and amalgamated with Intercedent Ventures Ltd. The Company has been since and is now subject to the *Canada Business Corporations Act* (the "CBCA"). The Company's registered office and head office is located at 65 Northland Road, Waterloo, Ontario N2V 1Y8 (519-725-2244).

The following chart depicts the inter-corporate relationships of the Company:



Summary Description of the Business of the Company

ARISE is a Canadian-based solar technology company, whose goal is to help solar energy become a cost-effective, mainstream energy solution. ARISE currently has three distinct operations focusing on, (i) the development and commercialization of photovoltaic ("PV") cell technology, (ii) the development of a PV silicon processing technology and (iii) PV systems.

PV Cell Technology

ARISE's PV cell technology operation is currently in the process of developing a high-efficiency (18%+) thin-film on silicon wafer heterojunction PV solar cell. In addition, the Company's wholly owned German subsidiary ARISE Technologies Deutschland GmbH ("ARISE Germany") is currently constructing a PV cell manufacturing plant in Bischofswerda, Germany with an initial capacity of 80MW per year. In December 2006, ARISE received notification that it had been approved for non-repayable German government grants and refundable tax credits of up to €24.6 million in connection with its PV cell manufacturing plant. ARISE will receive a non-repayable incentive grant of €12.4 million payable over the term of the project, and will be eligible to receive refundable tax credits in connection with its funding of the project in the amount of €12.2 million over the term of the project, resulting in total government funding of €24.6 million. A portion of the incentive grant is conditional upon ARISE meeting certain requirements of a small/medium sized enterprise ("SME") under certain rules of the European Union Commission ("EU") which will enable ARISE to be eligible for the SME bonus grant amount included in the €12.4 million grant. While management believes that ARISE meets these requirements, if it does not receive approval from the EU, the incentive grant would be reduced to €4.9 million. The Company's receipt of such grants and tax credits is subject to ARISE meeting certain criteria and fulfilling certain conditions. Construction of the PV cell manufacturing plant commenced in August 2007 and the first production line of the plant is currently scheduled to commence operations in the second fiscal quarter of 2008.

PV Silicon Processing Technology

ARISE's PV silicon operation is in the process of developing a new PV silicon processing technology. PV silicon is currently in tight supply worldwide and is a key input required for manufacturing PV cells. In July 2006, ARISE received a $6.5 million funding commitment from Sustainable Development Technologies Canada ("SDTC") with respect to its PV silicon project. Receipt of the SDTC funds is contingent on ARISE and its consortium parties contributing an additional $13 million of cash or "in-kind" contributions to the project. On September 25, 2007, ARISE and SDTC executed the contribution agreement with respect to SDTC's funding commitment in respect of ARISE's PV silicon project. Finalization of the estimated project costs in the contribution agreement resulted in SDTC's final funding commitment of 32.8% of eligible project costs equalling a total of up to $6.44 million (versus the initially announced $6.5 million). Payment by SDTC of its funding commitment is dependent on ARISE meeting its obligations with respect to the project as outlined in the contribution agreement.

PV Systems

ARISE's systems operation focuses on the design, distribution, installation and support of PV systems on residential, industrial, commercial and institutional buildings and the installation of PV systems directly on open land, so-called "solar parks". The availability in the province of Ontario of 20-year fixed price energy supply contracts pursuant to the Ontario Power Authority's standard offer program has increased the interest in establishing solar energy generation facilities. ARISE's systems operation has entered into six non-binding letters of interests with respect to supplying PV systems to proposed solar park developments.

Recent Developments

On March 28, 2007, ARISE Germany entered into an equipment supply contract with OTB Solar B.V. (“OTB”) of the Netherlands. Under the terms of the contract, OTB will design, deliver and commission manufacturing and handling equipment for the initial production line of ARISE's 80MW per year PV cell manufacturing facility in Bischofswerda, Germany. OTB will also provide training services to ARISE employees in the commissioning of the production line.

On April 5, 2007, the Company posted on its website the executive summary of a third party report evaluating the Company’s PV cell technology. The report had been produced as part of the due diligence process undertaken by Commerzbank AG in connection with the credit facilities established by ARISE with Commerzbank AG in connection with the Company’s PV cell manufacturing plant. The report evaluated the technologies that ARISE proposes to utilize in the proposed production lines of the plant. ARISE understands Commerzbank AG is satisfied with the results of its technical due diligence of the Company.

On April 11, 2007, the Company announced that David Chornaby had agreed to join the Company as Chief Financial Officer, effective April 25, 2007. Prior to joining the Company, Mr. Chornaby held the position of VP Finance & Operations of SBS Technologies (Canada) Inc., a division of General Electric Company.

On April 24, 2007, the Company completed the issuance of 22,000,000 Common Shares (the “April Offering”). The Common Shares were issued at a price of $1.00 each for gross proceeds of $22.0 million. On May 3, 2007, the underwriters exercised the over-allotment option and the Company issued an additional 3,300,000 Common Shares for gross proceeds of $3.3 million.

On May 8, 2007, ARISE Germany entered into a silicon wafer supply agreement with Deutsche Solar AG ("DS") of Germany. Under the terms of the agreement, DS will supply silicon wafers to ARISE Germany's PV cell production facility in Bischofswerda, Germany over a ten year period. Under the terms of the agreement ARISE has agreed to commence certain prepayments to DS in 2007 to secure the wafer supply.

On June 19, 2007, the Company's systems group was selected as the winning bidder to provide turnkey PV rooftop units through the West Toronto Initiative for Solar Energy ("WISE"). As of September 27, 2007, ARISE had received 27 purchase orders for such units. The first of these units is expected to be installed by October 2007.

On July 12, 2007, ARISE entered into a binding agreement to purchase a 13 hectare site from the City of Bischofswerda, Germany on which its PV cell manufacturing plant is being constructed. The purchase of the site is expected to be completed on October 1, 2007 by the deposit of the purchase price for such land with a German notary. The registration of title in the land registry is expected to occur within 6 to 8 weeks of depositing the purchase price. In addition, on July 27, 2007 ARISE Germany entered into an agreement with HOCHTIEF Construction AG to construct the Company's PV cell manufacturing plant.

On August 27, 2007, the Company completed the first major milestone of its PV silicon feedstock program with the commissioning of its Silicon Refining Furnace version 3.1. This refining process uses a proprietary method to produce high purity silicon for PV applications using a simplified chemical vapor deposition (CVD) process.

On September 4, 2007, the Company announced that effective September 1, 2007 it had hired Richard Lu as Vice President, Business Development. Prior to joining the Company, Mr. Lu was Chief Conservation Officer and Vice President of Toronto Hydro Corporation.

On September 11, 2007, ARISE Germany completed definitive agreements with Commerzbank AG with respect to credit facilities totalling up to €47.1 million to finance a portion of the cost of construction and equipment with respect to the proposed PV cell manufacturing plant in Germany. The credit facilities include a €15.0 million subsidy bridge loan, a €9.5 million value added tax bridge loan, a €12.55 million long term loan for construction and equipment and a €10.0 million working capital line. Subject to certain conditions, the working capital facility is expected to be available in the second quarter of 2008. With respect to the other credit facilities, until the Company has received final environmental approvals for the construction of its PV cell manufacturing plant in Germany, drawdowns on such credit facilities are limited to an aggregate of €7.6 million. The credit facilities are secured by a guarantee from ARISE of up to €50.0 million and ARISE has also agreed to secure the credit facilities by a pledge of the Company's currently issued patent relating to PV technology and by a pledge of the Company's shares in the capital of ARISE Germany. In addition, the credit facilities are secured by a €25.0 million land charge over the PV plant site in Bischofswerda, Germany as well as security agreements from ARISE Germany pledging accounts receivable, inventory, machinery and equipment, and any future insurance claims. A portion of the Commerzbank AG credit facilities is supported by a guarantee of up to €10.0 million provided to Commerzbank by the Free State of Saxony in Germany.

USE OF PROCEEDS

The estimated net proceeds of the Offering to the Company will be approximately **[$●]**, after payment of the Underwriters' Fee and after deducting the estimated expenses of the Offering of **[$●]**. If the Over-Allotment Option is exercised in full, the estimated net proceeds to the Company, after deducting the Underwriters' Fee and the estimated expenses of the Offering, will be approximately **[$●]**. The Company intends to use the net proceeds from the Offering primarily for (i) securing additional supplies of silicon wafers which are required as feedstock for its PV cell manufacturing plant currently under construction; (ii) to provide additional funding to its silicon operation in order to accelerate the research and development being carried on pursuant to the ARISE PV silicon processing technology project; (iii) to provide additional working capital to the Company's systems operations; and (iv) for other general corporate purposes, including general working capital.

The Company intends to use the net proceeds of the Offering as stated in this short form prospectus. However, there may be circumstances where for sound business reasons, a reallocation of funds may be necessary.

CONSOLIDATED CAPITALIZATION

Since June 30, 2007 the following material changes have occurred to the Company's share and loan capital on a consolidated basis:

4,037,750 Common Shares have been issued from treasury upon exercise of options and warrants to acquire Common Shares with prices ranging from $0.25 to $0.55 per Common Share.

Upon completion of the Offering, there will be ● Common Shares of the Company issued and outstanding. If the

Over-Allotment Option is exercised in full there will be ● Common Shares of the Company issued and outstanding.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to purchase on the Closing Date, as principals, subject to compliance with all necessary legal requirements and to the terms and conditions of the Underwriting Agreement, a total of 21,428,600 Offered Shares at the Offering Price. The Company has granted the Underwriters the Over-Allotment Option to purchase up to an additional 3,214,290 Offered Shares at the Offering Price, exercisable for a period of up to 30 days following the Closing Date (as defined below). The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of the financial markets and on the occurrence of certain stated events. The Offering Price was determined by negotiation between the Company and the Underwriters. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. This short form prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Offered Shares issuable upon the exercise of the Over-Allotment Option.

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the Company reserves the right to close the subscription books at any time without notice. Certificates evidencing the aggregate number of Offered Shares are expected to be available for delivery on the closing date of the Offering (the "Closing Date") which is expected to be on or about October 15, 2007, or at such later date as agreed to by the Company and the Underwriters.

Under the Underwriting Agreement, the Company has agreed to pay to the Underwriters a cash commission equal to 6.0% of the gross proceeds of the Offering.

The Company has agreed to indemnify the Underwriters and their affiliates, and their respective directors, officers, partners, shareholders, employees, consultants and agents against certain civil liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at anytime during the period ending on the date the selling process for the Offered Shares ends and all stabilization arrangements relating to the Offered Shares are terminated, bid for or purchase Common Shares of the Company. The foregoing restrictions are subject to certain exceptions including (a) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the Exchange in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc., (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules, and (c) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. The Underwriters may engage in market stabilization or market balancing activities on the Exchange where the bid for or purchase of the Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Offered Shares offered hereby have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "1933 Act"), or any securities or "blue sky" laws of any of the states of the United States. Accordingly, the Offered Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the 1933 Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares offered hereby in the United States. The Underwriting Agreement enables the Underwriters to offer or sell the Offered Shares in the United States or to, or for the account or benefit of U.S. Persons pursuant to the Underwriting Agreement to persons that are (1) "institutional accredited investors", as such term is defined in Rule 501(a)(1)(2)(3) or (7) under the 1933 Act, that the Underwriters or their U.S. affiliates have arranged to purchase Offered Shares from the Company pursuant to Rule 506 of Regulation D under the 1933 Act, or (2) Qualified Institutional Buyers (as defined in Rule 144A under the 1933 Act) to which the Underwriters or their U.S. affiliates are reselling Offered Shares as principal pursuant to Rule 144A. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares offered hereby within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act unless such offer is made pursuant to an available exemption under the 1933 Act.

The Company has agreed, for a period of 90 days following the Closing Date, to not offer, sell or issue, or negotiate or enter into any agreement to offer, sell or issue, any securities of the Company or make any announcement with respect thereto, other than with respect to the granting of options or the exercise of options under the Company's stock option plan, the exercise of warrants to acquire securities of the Company outstanding or issuable under existing instruments as of September 24, 2007 without the prior written consent of Canaccord Capital Corporation and Clarus Securities Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed.

In addition, the Corporation has agreed to cause its senior officers and directors to undertake any sales of common shares in the capital of the Corporation held by them on an "orderly market basis" using Canaccord Capital Corporation for a period of 120 days following the Closing Date.

The Company has applied to list the Offered Shares (including those issuable on exercise of the Over-Allotment Option) on the Exchange. Listing is subject to the fulfillment by the Company of all the requirements of the Exchange.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Common Shares. As of September 28, 2007, 72,030,905 Common Shares were issued and outstanding. Holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders. At such meetings, holders of Common Shares are entitled to one vote in respect of each common share held. Holders of common shares are entitled to dividends if and when declared by the board of directors of the Company and are entitled to the remaining property or assets of the Company upon liquidation, dissolution or winding up of the Company or other distributions of the assets of the Company among its shareholders.

DIVIDEND POLICY

The Company has not paid any cash dividends on its Common Shares to date. The Company does not currently contemplate the payment of dividends and expects to retain future earnings for reinvestment in its business. The payment of dividends will, however, be reviewed by the Board of Directors from time to time in light of the Company's earnings and financial requirements, covenant restrictions, if any, and other prevailing conditions. There are currently no restrictions which prevent the Company from paying dividends.

RISK FACTORS

An investment in the Offered Shares involves significant risks and must be considered speculative due to the nature of the Company's business. Prospective purchasers of the Offered Shares offered hereby should carefully consider the following risk factors, the information included or incorporated by reference in this short form prospectus and the Company's historical consolidated financial statements and related notes before making an investment decision to purchase Offered Shares.

Product Development Risk: Substantial corporate resources are currently being expended on the development of the ARISE PV cell technology and PV silicon technology. These technologies remain in development and have not yet been commercialized. There can be no guarantee that the PV technology will achieve the solar cell efficiency which ARISE believes is necessary for it to be a successful product in the market. In addition, there are risks associated with commercializing any product including the risk that full scale production may not be achieved at an acceptable cost level. In addition, the PV silicon technology is in early stages of development and there can be no guarantee that technical milestones can be achieved. Failure to successfully commercialize the ARISE PV cell technology or PV silicon technology may materially and adversely affect the Company's financial condition and results of operations.

Limited Protection of Patents and Proprietary Rights: The Company relies on a combination of patents, trademarks, trade secrets and know-how to protect its proprietary technology and rights and the Company's failure to protect its intellectual property rights may result in the loss of valuable technologies and undermine its competitive position. There can be no assurance that the Company's patents will not be infringed upon, that the Company would have adequate remedies for any such infringement or adequate funds to take action against those infringing its patents, or that its trade secrets will not otherwise become known or independently developed by its competitors. There can also be no assurance that any patents now or hereafter issued to, licensed by or applied for by the Company will be upheld, if challenged, or that the protections afforded thereby will not be circumvented by others.

Expansion Risk: Bringing the ARISE PV cells to market may require ARISE to invest in new production equipment, systems and, sometimes, manufacturing plants often on tight time schedules and often without guaranteed revenue volumes. Bringing investments into production quickly may expose ARISE to integration risks depending on the size of the investment, the schedule, the technology involved, and the nature of the products to be produced.

Manufacturing Risk: ARISE is in the process of establishing PV cell manufacturing operations in Germany. This will require development of manufacturing plants, implementation of production equipment, hiring of managerial personnel, hiring of skilled labour, and the commencement of production. There can be no assurance that the Company will be able to obtain these input factors or meet its implementation timeline. ARISE's future success also depends on its ability to successfully achieve expected manufacturing capacity in a cost-effective and efficient manner. If the Company cannot do so, it may be unable to achieve and sustain profitability. ARISE's ability to achieve expected production capacity is subject to significant risks and uncertainties, including the following:

- delays and cost overruns as a result of a number of factors, many of which may be beyond the Company's control, such as its ability to secure successful contracts with equipment vendors;
- delays or denial of required approvals by relevant government authorities;
- diversion of significant management attention and other resources; and
- failure to execute its expansion plans effectively.

New Product Market Acceptance Risk: Market risk exists for new products such as the ARISE PV cell technology and PV silicon technology. There is no assurance that new products will be accepted by the market, that desired volumes will be realized over the product life or that the product life will not be shorter than expected due to product obsolescence. New products that are launched by ARISE's competitors may also have price or other advantages over ARISE's products. In addition, new product offerings will also require more significant marketing and sales efforts to gain market acceptance.

Competition: Many of ARISE's current and potential competitors have substantially greater financial, marketing, technical and other resources than ARISE. There can be no assurance that ARISE will be able to compete successfully with its existing competitors or will be able to compete successfully with new competitors. The Company's failure to adapt to changing market conditions and to compete successfully with existing or new competitors may materially and adversely affect its financial condition and results of operations.

Availability of PV Silicon and Manufacturing Inputs: Inability to secure enough raw materials and other inputs to meet sales demands could negatively impact sales and earnings. The solar industry is currently experiencing a shortage of silicon which has caused the price of silicon to increase significantly. The supply of PV silicon, wafers and certain specialized manufacturing tools and fixtures can involve the risk of shortages, especially in periods of strong market demand. Since there are few suppliers, demand can change quickly and there may be limited quantities of these inputs available. Once commercialization of the ARISE PV cell technology is achieved, the lack of a consistent supply of PV silicon could have a material adverse impact on ARISE's business, financial condition and results of operations.

Government Subsidies for Solar Products: The solar market is somewhat dependent on government subsidies and government programs which can create market volatility including rapid changes in demand and pricing. These government subsidies and programs are at risk of change depending on various factors including the particular political situation of the country providing the subsidy. The reduction or elimination of government subsidies and economic incentives for solar energy applications could adversely affect the Company's business, financial condition and results of operations.

Foreign Exchange Risk: ARISE will seek to sell its PV cells and PV silicon in foreign markets which will create exposure to changes in exchange rates, primarily the US dollar and the Euro. Expenses of the Company's foreign operations will also be subject to foreign exchange risk. Changes in the exchange rates faced by the Company may have a material adverse impact on its future financial performance.

Dependence on Key Personnel: The success of ARISE is dependent upon the attraction and retention of highly skilled personnel in a number of key areas including in management positions. The unexpected loss or departure of any of ARISE's key officers or employees could have a material adverse effect on the future operations of the Company. The success of the Company's business will depend, in part, upon the Company's ability to attract and retain qualified personnel as they are needed. There can be no assurance that the Company will be able to engage the services of such personnel or retain its current personnel.

Financial Position: While ARISE has raised additional capital in 2006 and 2007, significant additional funds will be required to complete the commercialization of the ARISE PV cell technology, the ARISE PV silicon technology and to build further manufacturing capacity. There can be no assurance that the Company will be able to raise additional capital on reasonable terms or at all.

Dependence on Government Funding: ARISE's short term business plan is based on finalizing various agreements to secure government funding, including funds from SDTC and the Province of Ontario's Ontario Centres of Excellence. In addition, its current plan for developing a manufacturing plant in Germany is dependent upon government funding. Failure to meet certain conditions and finalize agreements relating to such government funding may have a material adverse impact on the Company.

Profitability: ARISE has incurred losses since its inception and may be unable to generate sufficient net sales in the future to achieve or sustain profitability. The Company incurred a net loss of $4.7 million in the six month period ended June 30, 2007 and $2.9 million in the 2006 fiscal year, and had an accumulated deficit of $16.3 million at June 30, 2007. ARISE may continue to incur losses in the future. For example, the Company's cash requirements increased significantly in 2007 and are expected to further increase in 2008 primarily because of costs related to construction of the German plant. In addition, ARISE expects its operating expenses to increase as it expands its operations. The Company's ability to reach and then sustain profitability depends on a number of factors, including the growth rate of the solar energy industry, the continued market acceptance of solar modules, the competitiveness of its products and services and its ability to increase production volumes. If ARISE is unable to generate sufficient net sales to become profitable and have a positive cash flow, the Company may be unable to satisfy its commitments and may have to discontinue operations.

Demand for Solar Modules: If the demand for solar modules weakens significantly, the Company may be unable to achieve or sustain profitability. The solar energy market is at a relatively early stage of development and the extent to which solar modules will be utilized is somewhat uncertain. If demand for solar modules weakens sufficiently, ARISE may be unable to grow its business or generate sufficient net sales to achieve or sustain profitability. Many factors may affect the demand for solar modules, including the following:

- cost-effectiveness of solar modules compared to conventional and other non-solar renewable energy sources and products;
- performance and reliability of solar modules and thin film technology compared to conventional and other non-solar renewable energy sources and products;
- availability and substance of government subsidies and incentives to support the development of the solar energy industry;
- success of other renewable energy generation technologies, such as hydroelectric, wind, geothermal, solar thermal, concentrated photovoltaic and biomass;
- fluctuations in economic and market conditions that affect the viability of conventional and non-solar renewable energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- fluctuations in capital expenditures by end-users of solar modules, which tend to decrease when the economy slows and interest rates increase; and
- deregulation of the electric power industry and the broader energy industry.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Gowling Lafleur Henderson LLP on behalf of the Company and by Wildeboer Dellelce LLP on behalf of the Underwriters.

INTEREST OF EXPERTS

As of the date hereof, the partners and associates of each of Gowling Lafleur Henderson LLP and Wildeboer Dellelce LLP beneficially own, directly or indirectly, less than 1% of the issued and outstanding Common Shares of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Deloitte & Touche LLP, Chartered Accountants, 4210 King Street East, Kitchener, Ontario N2P 2G5 who advise that they are independent of the Company within the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Equity Transfer & Trust Company at its principal office in the city of Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS

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

AUDITORS' CONSENT

We have read the short form prospectus of ARISE Technologies Corporation (the "Company") dated ●, 2007 relating to the qualification for distribution of 21,428,600 Common Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2006 and 2005 and the consolidated statements of loss and deficit and of cash flows for the years then ended. Our report is dated February 14, 2007.

●
Chartered Accountants
Licensed Public Accountants

●, 2007
Kitchener, Ontario

CERTIFICATE OF THE COMPANY

Dated: September 28, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(Signed) Ian MacLellan President and Chief Executive Officer	(Signed) David Chornaby Chief Financial Officer

On Behalf of the Board of Directors
of the Company

(Signed) Harold Alexander Director	(Signed) Vern Heinrichs Director

CERTIFICATE OF THE UNDERWRITERS

Dated: September 28, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

CANACCORD CAPITAL CORPORATION

(Signed) Jean-Yves Bourgeois

CLARUS SECURITIES INC.

(Signed) Rod Campbell

CIBC WORLD MARKETS INC.

(Signed) R.D. Falconer

D&D SECURITIES COMPANY

(Signed) Lucia Cheung

DUNDEE SECURITIES CORPORATION

(Signed) Onorio Lucchese

LOEWEN, ONDAATJE, MCCUTCHEON LIMITED

(Signed) Priya Patil