

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada other than the Province of Quebec but has not yet become final for the purpose of the sale of securities. Information contained in this prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for this prospectus is obtained from the securities regulatory authorities.*

*This short form prospectus is a base shelf prospectus that has been filed under legislation in each of the provinces of Canada other than the Province of Quebec (the "Canadian Offering Jurisdictions") that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*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. **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](http://www.sedar.com).*

*The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act") or any state securities laws. Accordingly, these securities may not be offered or sold in the United States of America or to or for the account or benefit of a U.S. Person (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state laws or an exemption from such registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

*New Issue*

August 19, 2009



**\$50,000,000**

**Common Shares  
Debt Securities  
Warrants  
Units**

We may from time to time offer common shares, secured or unsecured obligations in the form of senior or subordinated debt securities, or units or warrants to purchase common shares, debt securities or other securities (collectively, the "Securities"), in one or more offerings up to an aggregate offering price of \$50,000,000 (or its equivalent in any other currency used to denominate the Securities) during the 25-month period that this short form base shelf prospectus (the "Prospectus"), including any amendments hereto, remains effective.

The Securities may be offered at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (a "Prospectus Supplement") or in certain cases, the accompanying pricing supplement (a "Pricing Supplement").

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements or Pricing Supplements that will be delivered to purchasers together with this Prospectus, subject to specific exemptive relief granted by applicable securities regulatory authorities. A Prospectus Supplement or Pricing Supplement containing the specific terms of any offered Securities, disclosure of earnings coverage ratios, if applicable, and other information relating to the offered Securities, will, subject to specific exemptive relief granted by applicable securities regulatory authorities, be delivered to prospective purchasers of such offered Securities, together with this Prospectus, and will be deemed to be incorporated by reference into this Prospectus for the purpose of securities legislation as of the date of such Prospectus Supplement or Pricing Supplement and only for the purpose of the offering of such offered Securities.

The specific terms of any Securities offered will be described in a Prospectus Supplement or Pricing Supplement including, where applicable: (i) in the case of common shares, the number of shares offered, the offering price and any other specific terms; (ii) in the case of debt securities, the designation of the debt securities, any limit on the aggregate principal amount of the debt securities, whether payment on the debt securities will be senior or subordinated to our other liabilities and obligations, whether the debt securities will bear interest, the interest rate or method of determining the interest rate, whether any conversion or exchange rates attach to the debt securities, whether we may redeem the debt securities at our option and any other specific terms; (iii) in the case of warrants, the designation, number and terms of the common shares, or debt securities purchasable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, and the currency in which the warrants are issued and any other specific terms; and (iv) in the case of units, the terms of the component securities and any other specific terms. The Prospectus Supplement or Pricing Supplement may also include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

Our outstanding common shares are listed and posted for trading on the Toronto Stock Exchange (“TSX”). The closing price of the common shares on the TSX on August 18, 2009 was \$0.36.

**Investing in our Securities involves risks as set out in the section entitled “Risk Factors” in this Prospectus. Please see also “Risks and Uncertainties” and “Legal Proceedings and Regulatory Matters” in our Annual Information Form that is incorporated by reference herein for a description of these risks.**

**Owning any of the Securities may subject you to tax consequences in Canada. This Prospectus or any applicable Prospectus Supplement or Pricing Supplement may not describe these tax consequences fully. You should read the tax discussion in any applicable Prospectus Supplement or Pricing Supplement.**

The Securities may be sold to or through underwriters or dealers, to one or more other purchasers directly or through agents. See “Plan of Distribution”. A Prospectus Supplement or Pricing Supplement will set forth the names of any underwriters, dealers or agents involved in the sale of any Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, the offering price, the proceeds to us, the number of Securities, if any, to be purchased by underwriters, the underwriting discounts or commissions, and any other discounts or concessions to be allowed or reallocated to dealers. Unless otherwise specified in a Prospectus Supplement or Pricing Supplement, the offering is subject to approval of certain legal matters on our behalf by Gowling Lafleur Henderson LLP, Kitchener, Ontario.

In connection with any offering of the Securities (unless otherwise specified in the relevant Prospectus Supplement), the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”.

**Unless otherwise specified in the applicable Prospectus Supplement or Pricing Supplement, the debt securities, warrants and units distributed under this Prospectus will not be listed on any securities exchange. There is no market through which these Securities may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities 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”.**

**No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

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You should rely only on the information contained or incorporated by reference in this Prospectus and any Prospectus Supplement or Pricing Supplement. We have not authorized any other person to provide you with different information. If you are provided with different or inconsistent information, you should not rely on it.

References in this Prospectus to “ARISE”, “Company”, “we”, “us” and “our” refer only to ARISE Technologies Corporation and its subsidiaries, unless otherwise stated.

Unless otherwise indicated, all financial information included and incorporated by reference in this Prospectus or included or incorporated by reference into any Prospectus Supplement has been or will have been prepared in accordance with Canadian generally accepted accounting principles.

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).

### NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this Prospectus and any Prospectus Supplement or Pricing Supplement, 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 any offering under this Prospectus and the factors identified under the heading "Risk Factors", the Annual Information Form (as defined herein), the management discussion and analysis, and any Prospectus Supplement or Pricing Supplement all incorporated by reference in this 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 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 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 Prospectus from documents filed with the securities regulatory authorities in the Canadian Offering Jurisdictions.** 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](http://www.sedar.com).

The following documents filed with the securities regulatory authorities in each of the Canadian Offering Jurisdictions are specifically incorporated by reference in this Prospectus:

- (a) renewal annual information form of the Company dated March 24, 2009 for the fiscal year ended December 31, 2008 ("Annual Information Form");
- (b) management information circular of the Company dated March 24, 2009 relating to the annual and special meeting of shareholders of the Company held on May 12, 2009;
- (c) unaudited interim consolidated financial statements of the Company for three and six months ended June 30, 2009;
- (d) management's discussion and analysis of financial conditions and results of operation of ARISE for the interim financial statements referred to in paragraph (c) above;
- (e) audited comparative consolidated financial statements of the Company and the notes thereto for the financial years ended December 31, 2008 and 2007 together with the report of the auditors thereon; and
- (f) management's discussion and analysis of financial condition and results of operation of ARISE for the year ended December 31, 2008.

All Annual Information Forms, financial statements and related management's discussion and analyses of financial condition and results of operations, all material change reports (excluding confidential material change reports), business acquisition reports and any other documents required under applicable securities laws to be incorporated by reference in this Prospectus, which ARISE files with securities regulatory authorities in the provinces of Canada after the date of this Prospectus and prior to the completion or withdrawal of the Offering are deemed to be incorporated by reference into this Prospectus. Upon a new Annual Information Form being filed by ARISE with, and where required, accepted by, the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, such new Annual Information Form is deemed to be incorporated by reference into this Prospectus and the previously filed Annual Information Forms pertaining to

ARISE's preceding fiscal years are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Securities under the Offering. **Upon new annual financial statements (including the notes thereto and the auditors' report thereon) and management's discussion and analysis related thereto pertaining to ARISE's most recently completed fiscal year being filed by ARISE with the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, such new annual financial statements (including the notes thereto and the auditors' report thereon) and related management's discussion and analysis are deemed to be incorporated by reference into this Prospectus and all prior annual financial statements (including the notes thereto and the auditors' report thereon), interim financial statements (including the notes thereto) pertaining to interim periods during the most recently completed fiscal year, and related management's discussion and analyses previously filed during the currency of this Prospectus are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Securities under the Offering. Upon new interim financial statements (including the notes thereto) and the related management's discussion and analysis pertaining to an interim period after ARISE's most recently completed fiscal year being filed by ARISE with the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, those interim financial statements (including the notes thereto) and related management's discussion and analysis are deemed to be incorporated by reference into this Prospectus and all interim financial statements (including the notes thereto) and related management's discussion and analyses pertaining to preceding interim periods are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Securities under the Offering. Upon a new Annual Information Form and new annual financial statements (including the notes thereto and the auditors' report thereon) and management's discussion and analysis related thereto being filed by ARISE with the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, all material change reports, business acquisition reports and other documents required by applicable securities laws to be incorporated by reference into this Prospectus filed prior to the commencement of ARISE's financial year in which the Annual Information Form is filed are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Securities hereunder.**

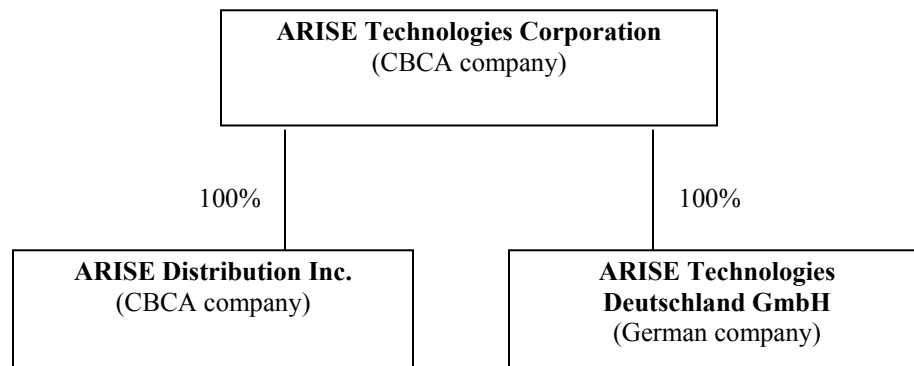
A Prospectus Supplement or Pricing Supplement containing the specific terms applicable to the issuance of the Securities including the number of Securities offered, the offering price of such Securities and other information relating to such issuance will, subject to specific exemptive relief granted by applicable securities regulatory authorities, be delivered to purchasers of Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus or Pricing Supplement as of the date of such Prospectus Supplement or Pricing Supplement solely for the purposes of the offering of Securities covered by that Prospectus Supplement or Pricing Supplement .

## 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 primary inter-corporate relationships of the Company:



### **Summary Description of the Business of the Company**

ARISE is a Canadian-based solar technology company, which is dedicated to becoming a leader in high performance, cost-effective solar technology. ARISE currently has three divisions: (i) PV Cell Division; (ii) PV Silicon Division and (iii) PV Systems Division. The following summary remains subject to the more detailed description of ARISE's business found in the Annual Information Form and other disclosure documents incorporated by reference in this Prospectus at any time and from time to time.

#### **PV Cell Division**

ARISE's PV Cell Division is focused on developing new PV Cell technologies and on the manufacturing of PV cells. ARISE's PV Cell Division is currently in the process of developing a high-efficiency (20%+) thin-film on silicon wafer heterojunction PV solar cell based on proprietary patented process technology. PV Cell research is performed in collaboration with the University of Toronto, the University of Waterloo and McMaster University along with various research institutes in Europe.

In August 2007, ARISE commenced construction of its first PV cell manufacturing plant located in Bischofswerda, Germany. Initial production of PV cells at the plant commenced in April 2008. The first production line of the plant is currently operating. Total sales of PV cells in fiscal 2008 were \$34.8 million. Total sales for the six month period ended June 30, 2009 were \$13.4 million. In March 2009, ARISE completed installation of the second production line of the plant ("Line 2") which is designed to produce 2 and 3 busbar mono-crystalline PV cells. Site acceptance tests for Line 2 and initial shipments of Line 2 PV cells for customer evaluation were completed in July 2009. Commencement of commercial production utilizing Line 2 is expected to occur once overall market demand for solar cells increases.

Given current worldwide economic conditions, orders for PV cells in fiscal 2009 have been lower than originally planned for by ARISE.

In connection with the construction of the PV cell manufacturing plant, ARISE has been awarded a non-repayable incentive grant from the Sächsische AufbauBank GmbH ("SAB") 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 approximately €12.15 million over the term of the project, resulting in total German government funding of approximately €24.55 million. As of June 30, 2009 ARISE has received \$18.6 million (€11.4 million) of the SAB grant funds and \$6.4 million (€3.9 million) of the refundable tax credits. Under the agreement with SAB, ARISE had up to three years to complete the project and completed it in the second quarter of 2009.

#### **PV Silicon Division**

The ARISE PV Silicon Division is currently conducting research and development on a proprietary silicon production process. ARISE has focused its research and development efforts on a unique approach that has produced silicon (Si) at laboratory scale. ARISE is using a proprietary method to produce silicon at 7N+ high-purity

(99.99999 percent purity) for PV applications, based on a simplified chemical vapour deposition process. The PV Silicon Division is focusing on scaling up its process to provide ARISE with control over its supply, costs and quality. The Company has been awarded a \$6.44 million funding commitment from Sustainable Development Technologies Canada (“SDTC”) to build and equip a 50 tonne per annum pilot plant (the “PV Silicon Project”) in the Waterloo Region of Ontario, Canada. To receive the SDTC funding, ARISE must deliver funding and/or “in-kind” contributions from project partners equal to \$13 million.

In October 2007, the Company executed a definitive contribution agreement with SDTC with respect to the PV Silicon Project and as of June 30, 2009 had received \$4.3 million in payments from SDTC.

ARISE commenced construction of its planned 50 tonne per annum pilot plant for the PV Silicon Project in the third quarter of 2008. Work on the pilot plant was put on hold as of March 9, 2009 and remains on hold. Given the current capital market conditions and uncertain solar industry demand, as well as the Company’s current cash constraints, completion of the 50 tonne per annum pilot plant is dependent on ARISE securing additional financing or a partner that will contribute to funding the pilot plant project.

### **PV Systems Division**

ARISE’s PV Systems Division aims to provides complete turnkey PV solutions for solar electricity generators including ground mounted and rooftop installations. In addition, the PV Systems Division currently installs residential and commercial PV systems.

The PV Systems Division is aiming to leverage the recently enacted Ontario *Green Energy Act* to establish solar electricity generators which will enter into long term electricity generating agreements under the Ontario Power Authority’s (“OPA”) feed-in tariff.

ARISE is currently investigating a number of potential ground mounted solar generator opportunities. As of the date hereof, the OPA feed-in tariff had a proposed rate of \$0.443 per kilowatt hour generated from ground mounted solar electricity generation projects of less than 10 megawatts (“MW”).

In addition, the PV Systems Division is currently investigating additional opportunities for solar electricity generators utilizing rooftop PV systems. The OPA’s proposed feed-in-tariff for rooftop and ground mounted PV systems is set out below:

<b>Application</b>	<b>Proposed Sizes</b>	<b>Proposed Price ¢ /kWh</b>
Any type	≤ 10kW	80.2
PV Rooftop	10 – 100 kW	71.3
PV Rooftop	100 – 500 kW	63.5
PV Rooftop	> 500 kW	53.9
Ground Mounted	≤ 10MW	44.3

ARISE is currently in discussion with a limited number of prospective partners who would provide funding for the capital expenditures required for establishing solar electricity generators with over 100 MW of generating capacity. The Company’s funding and ownership structure for its proposed solar electricity generators has yet to be finalized and may involve ARISE acting solely as a supplier of turnkey generating systems to third party solar electricity generators and/or ARISE participating, in whole or in part, in the ownership and operation of solar electricity generators.

ARISE expects to utilize solar cells produced by ARISE GmbH in the assembly of modules to be used by solar electricity generators constructed by the PV Systems Division.

### **Recent Developments**

On June 11, 2009 ARISE announced that the maturity of its €7.0 million working capital credit facility with Commerzbank AG had been extended until August 31, 2009. On August 7, 2009, ARISE announced that its

working capital credit facility and credit facility intended for the purchase of silicon wafers had been combined. The combined €10.0 million credit facility with Commerzbank AG matures on December 31, 2009. As of June 30, 2009 the amount of the facility drawdown by ARISE is \$15.6 million (€9.6 million).

On July 31, 2009, Commerzbank AG granted to ARISE a deferral of its obligation to make instalment payments on its \$20.5 million (€12.55 million) investment loan. Pursuant to the deferral, ARISE will not be required to make scheduled quarterly payments of \$1,022,637 (€627,500) for the quarters ending June 30, 2009, September 30, 2009, December 31, 2009 and March 31, 2009. In addition, Commerzbank AG has waived compliance with certain covenants set out in the credit facilities and ARISE expects to negotiate new covenants with Commerzbank AG in the near future.

On July 29, 2009, one of the Company's suppliers of silicon wafers, LDK Solar Hitech Co., Ltd. ("**LDK**") notified ARISE that it was commencing legal proceedings against the Company in respect of a shipment of wafers. ARISE has not, as of the date hereof, received a statement of claim in respect of legal proceedings with LDK. The Company believes that the LDK wafers do not meet the specifications set out for such wafers in the supply agreement with LDK and are not of a quality to produce cells of high enough efficiency for our customers. Since all of ARISE's other suppliers can provide silicon wafers with a quality that meets our needs, ARISE is seeking to return these wafers for wafers of higher quality or return the wafers and cancel the supply agreement with LDK. Consequently, ARISE has not paid for these wafers which represent about 1.6% of our most recent projected requirements for 2009.

#### **USE OF PROCEEDS**

Except as otherwise set forth in a Prospectus Supplement or Pricing Supplement, the net proceeds to us from the sale of the Securities will be used for general corporate purposes. A Prospectus Supplement will contain specific information about the use of proceeds from the sale of the Securities under that Prospectus Supplement. We may from time to time issue securities otherwise than through the issue of Securities pursuant to this Prospectus.

#### **CONSOLIDATED CAPITALIZATION**

There have been no material changes in the Company's share and loan capital since June 30, 2009, except as disclosed above under the heading "Recent Developments".

#### **DESCRIPTION OF COMMON SHARES**

We are authorized to issue an unlimited number of common shares. The common shares entitle holders to one vote per share at all shareholder meetings except meetings at which only the holders of another class or series of shares are entitled to vote. Subject to the prior rights of the holders of the preferred shares (none of which are currently issued and outstanding), the common shares also entitle holders to receive any dividends declared by our board of directors and our remaining property after we are dissolved. As at August 18, 2009 there were 126,776,096 common shares issued and outstanding.

There are no pre-emptive or conversion rights that attach to our common shares. All common shares now outstanding and to be outstanding upon exercise of any outstanding options are, or will be, fully paid and non-assessable, which means that the holders of such common shares will have paid the purchase price in full and we may not ask them to surrender additional funds.

Our by-laws provide for certain rights of our shareholders in accordance with the provisions of the CBCA. Such by-laws may be amended either by a majority vote of the shareholders or by a majority vote of the board of directors. Any amendment of the by-laws by action of the board of directors must be submitted to the next meeting of the shareholders whereupon the by-law amendment must be confirmed, confirmed as amended or repealed by a majority vote of the shareholders voting on such matter.

Shareholders do not have cumulative voting rights for the election of directors. Therefore, the holders of more than 50% of the shares voting for the election of directors could, if they choose to do so, elect all of the directors and, in such event, the holders of the remaining shares would not be able to elect any director.

While the payment of dividends rests within the discretion of our board of directors, we have neither declared nor paid any cash dividends to date on our outstanding shares. We intend to retain our future earnings to finance the development of our business and, accordingly, do not anticipate paying any cash dividends on our common shares in the foreseeable future. Our dividend policy will be reviewed periodically depending on our financial position, capital requirements, general business conditions and on other factors.

### **Transfer Agent and Registrar**

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

## **DESCRIPTION OF DEBT SECURITIES**

We may issue debt securities in one or more series under an indenture to be entered into between the Company and one or more trustees. The indenture will be subject to and governed by the CBCA. A copy of the form of the indenture will be filed with the securities regulatory authorities in the Canadian Offering Jurisdictions in connection with any Prospectus Supplement offering debt securities. The following description sets forth certain general terms and provisions of debt securities and is not intended to be complete. For a more complete description, prospective investors should refer to the indenture and the terms of the debt securities. If debt securities are issued, we will describe the particular terms and provisions of a series of debt securities and a description of how the general terms and provisions described below may apply to that series in a Prospectus Supplement. Prospective investors should rely only on information in the Prospectus Supplement if it is different from the following information.

We may issue debt securities and incur additional indebtedness other than through the offering of debt securities pursuant to this Prospectus.

References to “ARISE”, “Company”, “we”, “us” or “our” in this description of debt securities mean ARISE but not any of its subsidiaries.

### **General**

The indenture will not limit the amount of debt securities we can issue under the indenture and will not limit the amount of other indebtedness we may incur. We may issue debt securities from time to time in separate series.

The Prospectus Supplement for any series of debt securities we offer will describe the specific terms of the debt securities and may include, but is not limited to, any of the following:

- the title of the debt securities;
- any limit on the aggregate principal amount of the debt securities;
- the percentage of principal amount at which the debt securities will be issued;
- whether payment on the debt securities will be senior or subordinated to our other liabilities or obligations;
- whether the payment of the debt securities will be guaranteed by any other person;
- the dates on which we may issue the debt securities and the date or dates on which we will pay the principal and any premium on the debt securities and the portion (if less than the principal amount) of debt securities to be payable upon a declaration of acceleration of maturity;

- whether the debt securities will bear interest, the interest rate, which may be fixed or variable, or the method of determining the interest rate, the date from which interest will accrue, the dates on which we will pay interest and the record dates for interest payments;
- the place or places we will pay principal, any premium and interest and the place or places where debt securities can be presented for registration of transfer or exchange;
- whether and under what circumstances we will be required to pay any Additional Amounts (as defined herein) for withholding or deduction for taxes with respect to the debt securities, and whether we will have the option to redeem the debt securities rather than pay the additional amounts;
- whether we will be obligated to redeem or repurchase the debt securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder;
- whether we may redeem the debt securities at our option;
- the denominations in which we will issue any registered debt securities, if other than denominations of \$1,000 and any multiple of \$1,000 and, if other than denominations of \$5,000, the denominations in which any bearer debt security shall be issuable;
- whether we will make payments on the debt securities in a currency or currency unit other than Canadian dollars or by delivery of shares of ARISE or other property;
- whether payments on the debt securities will be payable with reference to any index or formula;
- whether we will issue the debt securities as global securities and, if so, the identity of the depository for the global securities;
- whether we will issue the debt securities as bearer securities, registered securities or both;
- if other than the trustee, the identity of each security registrar and/or paying agent;
- the terms and conditions, if any, upon which we may redeem the debt securities prior to maturity and the price or prices of which and the currency or currency units in which the debt securities are payable;
- the designation of the initial exchange rate agent, if any;
- any changes or additions to events of default or covenants;
- the applicability of, and any changes or additions to, the provisions for defeasance described under “Defeasance” below;
- whether the holders of any series of debt securities have special rights if specified events occur;
- the terms for any conversion, exercise or exchange of the debt securities for any other securities and whether such conversion, exercise or exchange is mandatory, at the option of the holder or at our option;
- provisions as to modification, amendment or variation of any rights or terms attaching to the debt securities;
- whether the debt securities are subject to mandatory or optional remarketing or other mandatory or optional resale provisions, and, if applicable, the date or period during which such resale may occur, any conditions to such resale and any right of a holder to substitute securities for the securities subject to resale; and

- any other terms of the debt securities.

Unless stated otherwise in the applicable Prospectus Supplement, no holder will have the right to require us to repurchase the debt securities and there will be no increase in the interest rate if we become involved in a highly leveraged transaction or there is a change of control of ARISE.

We may issue debt securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. We may also sell any of the debt securities for a foreign currency or currency unit, and payments on the debt securities may be payable in a foreign currency or currency unit. In any of these cases, we will describe any Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

We may issue debt securities with terms different from those of debt securities previously issued and, without the consent of the holders thereof, we may reopen a previous issue of a series of debt securities and issue additional debt securities of such series (unless the reopening was restricted when such series was created).

### **Form, Denominations and Exchange**

Debt securities of a series may be issuable solely as registered securities, solely as bearer securities or as both registered securities and bearer securities. Registered securities will be issuable in denominations of \$1,000 and integral multiples of \$1,000 and bearer securities will be issuable in the denomination of \$5,000 or, in each case, in such other denominations as may be set out in the terms of the debt securities of any particular series. The indenture will also provide that debt securities of a series may be issuable in global form. Unless otherwise indicated in the Prospectus Supplement, bearer securities will have interest coupons attached.

Registered securities of any series will be exchangeable for other registered securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations. If (but only if) provided in the Prospectus Supplement, bearer securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. In such event, bearer securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such bearer security, but will be payable only to the holder of such coupon when due in accordance with the terms of the indenture. Unless otherwise specified in the Prospectus Supplement, bearer securities will not be issued in exchange for registered securities.

The applicable Prospectus Supplement may indicate the places to register a transfer of debt securities. Except for certain restrictions set forth in the indenture, no service charge will be made for any registration of transfer or exchange of the debt securities, but we may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

We shall not be required to: (i) issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before any selection of debt securities of that series to be redeemed and ending at the close of business on (A) if debt securities of the series are issuable only as registered securities, the day of mailing of the relevant notice of redemption and (B) if debt securities of the series are issuable as bearer securities, the day of the first publication of the relevant notice of redemption or, if debt securities of the series are also issuable as registered securities and there is no publication, the mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any registered security, or portion thereof, called for redemption, except the unredeemed portion of any registered security being redeemed in part; (iii) exchange any bearer security selected for redemption, except that, to the extent provided with respect to such bearer security, such bearer security may be exchanged for a registered security of that series and like tenor, provided that such registered security shall be immediately surrendered for redemption with written instruction for payment consistent with the provisions of the indenture; or (iv) issue, register the transfer of or exchange any debt securities which have been surrendered for repayment at the option of the holder, except the portion, if any, thereof not to be so repaid.

## **Payment**

Unless stated otherwise in the Prospectus Supplement, we will make payments on the debt securities at the relevant office or agency of the trustee or we can make payments by (1) cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the trustee or (2) wire transfer to an account in the Canadian Offering Jurisdictions or the United States to a person beneficially owning Securities in an aggregate principal amount of \$2 million or more of such series. Unless stated otherwise in the applicable Prospectus Supplement, we will make payment to the persons in whose names the debt securities are registered on the close of business on the day or days specified by us. We may make debt securities payments in other forms at a place designated by us and specified in the applicable Prospectus Supplement.

## **Global Securities**

The registered debt securities of a series may be issued in whole or in part in global form (a “Global Security”) and will be registered in the name of and be deposited with a depository (the “Depository”), or its nominee, each of which will be identified in the Prospectus Supplement. Unless and until exchanged, in whole or in part, for debt securities in definitive registered form, a Global Security may not be transferred except as a whole by the Depository for such Global Security to a nominee of the Depository, by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor of the Depository or a nominee of the successor.

The specific terms of the depository arrangement with respect to any portion of a particular series of debt securities to be represented by a Global Security will be described in the Prospectus Supplement relating to such series. We anticipate that the following provisions will apply to all depository arrangements.

Upon the issuance of a Global Security, the Depository therefor or its nominee will credit, on its book-entry and registration system, the respective principal amounts of the debt securities represented by the Global Security to the accounts of such persons having accounts with such Depository or its nominee (“participants”). Such accounts shall be designated by the underwriters, dealers or agents participating in the distribution of the debt securities or by us if such debt securities are offered and sold directly by the us. Ownership of beneficial interests in a Global Security will be limited to participants or persons that may hold beneficial interests through participants. Ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository therefor or its nominee (with respect to interest of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants). The laws of some states in the United States may require that certain purchasers of securities take physical delivery of such securities in definitive form.

So long as the Depository for a Global Security or its nominee is the registered owner of the Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by the Global Security for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Security will not be entitled to have debt securities of the series represented by the Global Security registered in their names, will not receive or be entitled to receive physical delivery of debt securities of such series in definitive form and will not be considered the owners or holders thereof under the indenture.

Any payments of principal of, premium, if any, and interest on Global Securities registered in the name of a Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner of the Global Security representing such debt securities. None of ARISE, the trustee or any paying agent for debt securities represented by the Global Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that the Depository for a Global Security or its nominee, upon receipt of any payment of principal, premium or interest, will immediately credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. We also expect that payments by participants to owners of beneficial interests in a

Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in “street name”, and will be the responsibility of such participants.

If a Depository for a Global Security representing a particular series of debt securities is at any time unwilling or unable or no longer qualified to continue as depository and a successor depository is not appointed by us within 90 days, we will issue debt securities of such series in definitive form in exchange for a Global Security representing such series of debt securities. In addition, we may at any time and in our sole discretion determine not to have debt securities of a series represented by a Global Security and, in such event, will issue debt securities of a series in definitive form in exchange for all of the Global Securities representing the series of debt securities.

### **Covenants**

Unless otherwise indicated in this Prospectus or a Prospectus Supplement, the debt securities will not have the benefit of any covenants that limit or restrict our business or operations, the pledging of our assets or the incurrence by us of indebtedness. We will describe in the applicable Prospectus Supplement any material covenants of a series of debt securities.

### **Merger, Amalgamation or Consolidation**

The indenture will provide that we may not consolidate with or amalgamate or merge with or into any other person or convey, transfer or lease our properties and assets substantially as an entirety to another person, unless:

- we are the surviving person, or the resulting, surviving or transferee person, if other than us, is organized and existing under the laws of the United States, any state thereof or the District of Columbia, Canada, or any province or territory thereof, any country within the European Union, Japan or, if the amalgamation, merger, consolidation or other transaction would not impair the rights of holders, any other country;
- the successor person assumes all our obligations under the debt securities and the indenture; and
- we or such successor person will not be in default under the indenture immediately after the transaction.

When such a person assumes our obligations in such circumstances, subject to certain exceptions, we shall be discharged from all obligations under the debt securities and the indenture.

### **Tax Redemption**

Unless otherwise specified in an applicable Prospectus Supplement, the debt securities of a series will be subject to redemption at any time, in whole but not in part at a redemption price equal to the principal amount thereof together with accrued and unpaid interest to the date fixed for redemption, upon the giving of a notice as described below, if (1) we (or our successor) determine that (a) as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of Canada (or the jurisdiction of organization of the successor of ARISE) or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment is announced or becomes effective on or after a date specified in the applicable Prospectus Supplement if any date is so specified (or the date a party organized in a jurisdiction other than Canada or the United States becomes our successor), we have or will become obligated to pay, on the next succeeding date on which interest is due, Additional Amounts with respect to any debt security of such series as described under “Payment of Additional Amounts” or (b) on or after a date specified in the applicable Prospectus Supplement, any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, Canada (or the jurisdiction of organization of the successor of ARISE) or any political subdivision or taxing authority thereof or therein, including any of those actions specified in (a) above, whether or not such action was taken or decision was rendered with respect to us, or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the written opinion to us of legal counsel of recognized standing, will result in us becoming obligated to pay, on the next succeeding date on

which interest is due, additional amounts with respect to any debt security of such series and (2) in any such case, we (or our successor) determine that such obligation cannot be avoided by the use of reasonable measures available to us; provided however, that (i) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which we would be obligated to pay such Additional Amounts were a payment in respect of the debt securities then due, and (ii) at the time such notice of redemption is given, such obligation to pay such additional amounts remains in effect.

In the event that we elect to redeem the debt securities of such series pursuant to the provisions set forth in the preceding paragraph, we shall deliver to the trustee a certificate, signed by an authorized officer, stating that we are entitled to redeem the debt securities of such series pursuant to their terms.

### **Payment of Additional Amounts**

Unless otherwise specified in an applicable Prospectus Supplement, all payments made by or on our behalf under or with respect to the debt securities will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other government charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the Government of Canada or of any province or territory thereof or by any authority or agency therein or thereof having power to tax (“Canadian Taxes”) unless we are required to withhold or deduct Canadian Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency.

If we are so required to withhold or deduct any amount for or on account of Canadian Taxes from any payment made under or with respect to the debt securities, we will pay as additional interest such additional amounts (“Additional Amounts”) as may be necessary so that the net amount received by each holder of debt securities after such withholding or deduction (including with respect to Additional Amounts) will not be less than the amount the holder of debt securities would have received if such Canadian Taxes had not been withheld or deducted; provided, however, that no Additional Amounts will be payable with respect to a payment made to a holder of debt securities (an “Excluded Holder”) in respect of the beneficial owner thereof:

- with which we do not deal at arm’s length (for purposes of the *Income Tax Act (Canada)*) at the time of the making of such payment;
- which is subject to such Canadian Taxes by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Canadian Taxes; or
- which is subject to such Canadian Taxes by reason of its carrying on business in or being connected with Canada or any province or territory thereof otherwise than by the mere holding of debt securities or the receipt of payment thereunder.

We will make such withholding or deduction and remit the full amount deducted or withheld to the relevant authority as and when required in accordance with applicable law. We will pay all taxes, interest and other liabilities which arise by virtue of any failure by us to withhold, deduct and remit to the relevant authority on a timely basis the full amounts required in accordance with applicable law. We will furnish to the holder of the debt securities, within 60 days after the date the payment of any Canadian Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by us.

The foregoing obligations shall survive any termination, defeasance or discharge of the indenture.

### **Provision of Financial Information**

Unless stated otherwise in a Prospectus Supplement, we will file with the trustee copies of our annual report or the information, documents and other reports that we are required to file with the Canadian Securities Authorities pursuant to the applicable Canadian securities legislation. We will agree to provide the trustee (a) within 140 days,

or such shorter period as required by law, after the end of each fiscal year, an annual report; and (b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year, or such shorter period as required by law, quarterly reports even if we are no longer required to do so under the Canadian securities legislation. The information contained in these reports will be, at a minimum, the information required to be provided in annual and quarterly reports by law in Canada to security holders of a corporation with securities listed on the TSX whether or not we have any of our securities listed on such stock exchange.

## **Events of Default**

When we use the term “event of default” in the indenture, we mean:

- we fail to pay principal of, or any premium on, any debt security of that series when it is due;
- we fail to pay interest or any additional amounts on any debt security of that series for the period specified in the applicable Prospectus Supplement;
- we fail to make any sinking fund or analogous payment for that series of debt securities;
- we fail to comply with any of our other agreements in the indenture that affect or are applicable to the debt securities for 90 days after written notice by the trustee or to us and the trustee by holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series;
- certain events involving our bankruptcy, insolvency or reorganization; and
- any other event of default provided for in that series of debt securities.

A default under one series of debt securities will not necessarily be a default under another series. The trustee may withhold notice to the holders of debt securities of any default (except in the payment of principal or interest) if in good faith it considers it in the interests of the holders to do so.

If an event of default for any series of debt securities occurs and continues, the trustee or the holders of at least 25% in aggregate principal amount of the debt securities of that series, subject to any subordination provisions, may require us to repay immediately:

- the entire principal of the debt securities of the series; or
- if the debt securities are discounted securities, that portion of the principal as is described in the applicable Prospectus Supplement.

If debt securities are discounted securities, the applicable Prospectus Supplement will contain provisions relating to the acceleration of maturity of a portion of the principal amount of the discounted securities upon the occurrence or continuance of an event of default.

Other than its duties in case of a default, the trustee is not obligated to exercise any of its rights or powers under the indenture at the request, order or direction of any holders, unless the holders offer the trustee reasonable indemnity. If they provide this reasonable indemnity, the holders of a majority in principal amount of any series of debt securities may, subject to certain limitations, direct the time, method and place of conducting any proceeding or any remedy available to the trustee, or exercising any power conferred upon the trustee, for any series of debt securities.

We will be required to furnish to the trustee a statement annually as to our compliance with all conditions and covenants under the indenture and, if we are not in compliance, we must specify any defaults.

No holder of a debt security of any series will have any right to institute any proceeding with respect to the indenture, or for the appointment of a receiver or a trustee, or for any other remedy, unless:

- the holder has previously given to the trustee written notice of a continuing event of default with respect to the debt securities of the affected series;
- the holders of at least 25% in principal amount of the outstanding debt securities of the series affected by an event of default have made a written request, and the holders have offered reasonable indemnity, to the trustee to institute a proceeding as trustee; and
- the trustee has failed to institute a proceeding, and has not received from the holders of a majority in aggregate principal amount of the outstanding debt securities of the series affected by an event of default a direction inconsistent with the request, within 60 days after their notice, request and offer.

However, the above limitations do not apply to a suit instituted by a holder of debt securities for the enforcement of payment of principal of, or any premium or interest on, a debt security on or after the applicable due date specified in the debt security.

### **Defeasance**

When we use the term “defeasance” we mean discharge from some or all of our obligations under the indenture. If we deposit with the trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity date or a redemption date of the debt securities of a series, then at our option:

- we will be discharged from our obligations with respect to the debt securities of that series; or
- we will no longer be under any obligation to comply with certain restrictive covenants under the indenture, and certain events of default will no longer apply to us.

If this happens, the holders of the debt securities of the affected series will not be entitled to the benefits of the indenture except for registration of transfer and exchange of debt securities and the replacement of lost, stolen or mutilated debt securities. These holders may look only to the deposited fund for payment on their debt securities.

To exercise our defeasance option, we must deliver to the trustee:

- an opinion of counsel in Canada or a ruling from the Canada Revenue Agency to the effect that the holders of the outstanding debt securities of the affected series will not recognize income, gain or loss for Canadian federal, provincial or territorial income or other tax purposes as a result of a defeasance and will be subject to Canadian federal or provincial income tax and other tax on the same amounts, in the same manner and at the same times as would have been the case had the defeasance not occurred; and
- a certificate of an officer of the Company and an opinion of counsel, each stating that all conditions precedent provided for relating to defeasance have been satisfied.

In addition to the delivery of the opinion described above, the following conditions must be met before we may exercise our defeasance option:

- no event of default or event that, with the passing of time or the giving of notice, or both, shall constitute an event of default shall have occurred and be continuing for the debt securities of the affected series;
- we are not an “insolvent person” within the meaning of applicable bankruptcy and insolvency legislation; and
- other customary conditions precedent are satisfied.

## **Modification and Waiver**

We may modify the indenture with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series (acting together as one class) affected by the modification. However, without the consent of each holder affected, no modification may:

- change the stated maturity of the principal of (or premium, if any), or any instalment of interest, if any, on any debt security;
- reduce the principal, premium (if any) or interest rate or any obligation to pay any additional amounts;
- reduce the principal of an original issue discount security;
- change the place or currency of any payment;
- affect the holder's right to require us to repurchase the debt securities at the holder's option;
- impair the right of the holders to institute a suit to enforce their rights to payment;
- adversely affect any conversion or exchange right related to a series of debt securities;
- change the percentage of debt securities required to modify the indenture or to waive compliance with certain provisions of the indenture; or
- reduce the percentage in principal amount of outstanding debt securities necessary to take certain actions.

The holders of a majority in principal amount of outstanding debt securities of any series (or, in some cases, of all outstanding debt securities under the indenture or all series affected) may waive past defaults under the indenture and our compliance with certain restrictive provisions of the indenture. However, these holders may not waive a default in any payment on any debt security or compliance with a provision that cannot be modified without the consent of each holder affected.

We may modify the indenture without the consent of the holders to:

- evidence our successor under the indenture;
- add covenants for the benefit of holders;
- add events of default;
- provide for bearer securities to become registered securities under the indenture;
- establish the forms of the debt securities;
- appoint a successor trustee under the indenture;
- add provisions to permit or facilitate the defeasance or discharge of the debt securities as long as there is no adverse affect on the holders;
- cure any ambiguity, cure, correct or supplement any defective or inconsistent provision or make any other changes in any other manner that would not materially and adversely affect the interests of holders of outstanding securities and related coupons, if any; or

- change or eliminate any provisions where such change takes effect when there are no securities outstanding under the indenture.

### **Governing Law**

The indenture and the debt securities will be governed by and construed in accordance with the laws of the Province of Ontario.

### **The Trustee**

We may appoint a separate trustee for any series of debt securities. The trustee under the indenture or its affiliates may provide banking and other services to us in the ordinary course of its business.

The indenture will contain certain limitations on the rights of the trustee, as long as it or any of its affiliates remains our creditor, to obtain payment of claims in certain cases or to realize on certain property received on any claim as security or otherwise. The trustee and its affiliates will be permitted to engage in other transactions with us. If the trustee or any affiliate acquires any conflicting interest and a default occurs with respect to the debt securities, the trustee must eliminate the conflict or resign.

## **DESCRIPTION OF WARRANTS**

### **General**

We may issue warrants to purchase common shares, debt securities or other securities. We may issue warrants independently or together with other securities, and warrants sold with other securities may be attached to or separate from the other securities. Warrants will be issued under one or more warrant agreements between us and a warrant agent that we will name in the Prospectus Supplement.

Selected provisions of the warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement and warrants to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement.

The Prospectus Supplement relating to any warrants we offer will describe the warrants and include specific terms relating to the offering. The Prospectus Supplement will include some or all of the following:

- the title of the warrants;
- the aggregate number of warrants offered;
- the designation, number and terms of the common shares, debt securities or other securities purchasable upon exercise of the warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the warrants;
- the dates or periods during which the warrants are exercisable;
- the designation and terms of any securities with which the warrants are issued;
- if the warrants are issued as a unit with another security, the date on and after which the warrants and the other security will be separately transferable;

- if the exercise price is not payable in Canadian dollars, the foreign currency or currency unit in which the exercise price is denominated;
- any minimum or maximum amount of warrants that may be exercised at any one time;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the warrants; and
- any other terms of the warrants.

Warrant certificates will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities subject to the warrants.

### **Modifications**

We may amend the warrant agreements and the warrants, without the consent of the holders of the warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding warrants.

### **Enforceability**

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under the warrant agreements or the warrant certificates. A warrant holder may, without the consent of the warrant agent, enforce by appropriate legal action on its own behalf the holder's right to exercise the holder's warrants.

## **DESCRIPTION OF UNITS**

We may issue units comprised of one or more of the other Securities described in this Prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each Security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately at any time or at any time before a specified date.

The applicable Prospectus Supplement may describe:

- the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and
- whether the units will be issued in fully registered or global form.

The applicable Prospectus Supplement will describe the terms of any units. The preceding description and any description of units in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depository arrangements relating to such units.

## **CERTAIN INCOME TAX CONSIDERATIONS**

Owning any of the Securities may subject you to tax consequences in Canada. Although the applicable Prospectus Supplement will describe certain Canadian or United States federal income tax consequences of the acquisition, ownership and disposition of any Securities offered under this Prospectus by an initial investor, the Prospectus

Supplement may not describe these tax consequences fully or with respect to a particular investor. You should consult your own tax advisor with respect to your particular circumstances.

### PRIOR SALES

The Company has issued the following common shares at the prices set out below in the 12 months period preceding the date of this prospectus:

	<b>Issue Price of Common Shares (Cdn.\$)</b>	<b>Number of Common Shares (Cdn.\$)</b>	<b>Type of Issuance</b>
August 2008	\$1.00	63,250	Exercise of Warrants
September 2008	\$1.00	2,184	Exercise of Warrants
December 2008	\$0.48	340,000	Treasury Issuance

### PRICE RANGE AND TRADING VOLUME

Our common shares are listed for trading on the TSX under the trading symbol “APV”. The following table sets out the reported high and low closing prices and aggregate trading volume of the common shares on the TSX for the periods indicated

	<b>TSX</b>		
	<b>High (Cdn.\$)</b>	<b>Low (Cdn.\$)</b>	<b>Volume</b>
August 2008	\$1.47	\$1.21	6,760,400
September 2008	1.33	0.87	10,296,500
October 2008	0.91	0.54	14,313,900
November 2008	0.82	0.32	27,008,400
December 2008	0.60	0.43	9,471,600
January 2009	0.58	0.40	9,581,700
February 2009	0.40	0.28	8,258,500
March 2009	0.49	0.20	12,725,600
April 2009	0.65	0.39	13,631,800
May 2009	0.49	0.40	13,055,800
June 2009	0.46	0.36	8,222,300
July 2009	0.40	0.32	5,982,000
August 1 – August 18, 2009	0.42	0.36	6,045,500

The common shares are also traded on the Frankfurt Stock Exchange Open Market (“FSEOM”), Deutsche Boerse, under the symbol A3T. ARISE took no action to list its common shares on the FSEOM and was informed of such listing by letter from the Deutsche Boerse dated March 24, 2006.

### EARNINGS COVERAGE

In respect of any offering of debt securities or preferred shares, the applicable Prospectus Supplement will contain the applicable earnings coverage ratios required pursuant to applicable securities laws.

## **RISK FACTORS**

Prospective investors should consider, in addition to information contained in the Prospectus Supplement relating to the Securities offered thereunder or in other documents incorporated by reference in this Prospectus, the specific risks described in our Annual Information Form and the management's discussion and analysis of financial condition and results of operation of ARISE for the interim period ended June 30, 2009, that are incorporated by reference herein. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations or cash flows could be materially adversely affected. Additional risks and uncertainties not currently known to us, or that we currently deem immaterial, may also materially and adversely affect our business.

## **PLAN OF DISTRIBUTION**

We may sell the Securities to or through underwriters or dealers, and we may also sell the Securities to one or more other purchasers directly or through agents designated by us from time to time.

The Prospectus Supplement and, where applicable, the Pricing Supplement will state the terms of the offering, including the name or names of any underwriters or agents, the purchase price of the Securities, the proceeds to us from the sale of the Securities, any underwriting discount or commission and any discounts, concessions or commissions allowed or reallowed or paid by any underwriter to other dealers. Any discounts, concessions or commissions allowed or reallowed or paid to dealers may be changed from time to time.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

If so indicated in the Prospectus Supplement, we may authorize dealers or other persons acting as our agents to solicit offers by certain institutions to purchase the Securities directly from us pursuant to contracts providing for payment and delivery on a future date. Such contracts will be subject only to the conditions set forth in the Prospectus Supplement, which will also set forth the commission payable for solicitation of such contracts.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under the Canadian securities laws, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

## **EXPERTS**

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.

## **LEGAL MATTERS**

Certain Canadian legal matters relating to the offering of the Securities will be passed upon for us by Gowling Lafleur Henderson LLP, Kitchener, Ontario. As of the date hereof, the partners and associates of Gowling Lafleur Henderson LLP beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding common shares of ARISE.

## **PURCHASER'S STATUTORY RIGHTS**

Unless provided otherwise in a Prospectus Supplement or Pricing Supplement, the following is a description of a purchaser's 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 the 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 any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

## AUDITORS' CONSENT

We have read the short form base shelf prospectus of ARISE Technologies Corporation (the "Company") dated ● relating to the offer of up to \$50,000,000 aggregate principal amount of common shares, debt securities, warrants and units of the Company (the "Prospectus"). 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 the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007; and the consolidated statements of loss and comprehensive loss and cash flows for the years then ended. Our report is dated March 6, 2009.

●

Chartered Accountants  
Licensed Public Accountants  
Kitchener, Ontario

●

**CERTIFICATE**

Date: August 19, 2009

This preliminary short form prospectus, together with the documents incorporated in this prospectus by reference, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada other than the Province of Quebec.

(signed)  
Vern Heinrichs  
Chief Executive Officer

(signed)  
David Chornaby  
Chief Financial Officer

On behalf of the Board of Directors

(signed)  
Ian MacLellan  
Director

(signed)  
Garry West  
Director