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

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories and possessions, any State of the United States and the District of Columbia (the "**United States**") unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are 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".*

***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 the issuer at Unit No. 7, Castletroy Park Business Centre, Castletroy, Limerick, telephone (353) 361573535, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

NEW ISSUE

February 26, 2020

Kneat

kneat.com, inc.

$•

• Common Shares

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of [**•]** common shares (the "**Offered Shares**") of kneat.com, inc. (the "**Company**" or "**Kneat**") at a price of $• per Offered Share (the "**Offering Price**"). The Offered Shares are issued pursuant to an underwriting agreement dated February [**•]**, 2020 (the "**Underwriting Agreement**"), among the Company and Cormark Securities Inc. and Canaccord Genuity Corp, as lead underwriters (the "**Lead Underwriters**"), together with any underwriters that sign the Underwriting Agreement described under "*Plan of Distribution*" (collectively, with the Lead Underwriters, the "**Underwriters**").

The Company's common shares (the "**Common Shares**") are traded on the TSX Venture Exchange ("**TSXV**") under the symbol "KSI". On February 25, 2020, the last full trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSXV was $2.17. The Company will apply to list the Offered Shares (including the Over-Allotment Shares as (defined herein)) to be distributed under this Prospectus on the TSXV. Listing will be subject to the Company fulfilling all of the requirements of the TSXV.

Price: $• per Offered Share

	Price to the Public[(1)]	Underwriters' Fee[(2)]	Net Proceeds to the Company[(3)]
Per Offered Share	**$●**	$●	**$●**
Total	**$●**	$●	**$●**

(1) The Offering Price was determined by arm's length negotiation between the Company and the Lead Underwriters, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.
(2) The Company has agreed to pay the Underwriters a cash fee (the **"Underwriters' Fee**") equal to the sum of (i) 6% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined below)), other than the gross proceeds raised from sales to "president's list" purchasers in the amount of up to $● (such sales the "**President's List Sales**") and (ii) 1% of the gross proceeds raised from the President's List Sales. The Underwriters will also receive, as additional compensation, non-transferable broker warrants (the "**Broker Warrants**") to purchase that number of Common Shares that is equal to 6% of the Offered Shares sold pursuant to the Offering (including any Over-Allotment Shares (as defined herein) sold pursuant to the exercise of the Over-Allotment Option), but excluding the Offered Shares from the President's List Sales. Each Broker Warrant is exercisable to purchase one Common Share at a price of $● for a period of 24 months from the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants. See *"Plan of Distribution*".
(3) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering (estimated to be approximately $250,000), which will be paid from the proceeds of the Offering.

The Underwriters have been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to an additional [**•]** Offered Shares (the "**Over-Allotment Shares**") at the Offering Price to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Company" will be $[**•]**, $[**•]** and $[**•]**, respectively. This Prospectus qualifies the distribution of the Over-Allotment Option and the Over-Allotment Shares. A purchaser who acquires Over-Allotment Shares forming part of the Underwriters' over-allocation position acquires those Over-Allotment Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See *"Plan of Distribution"*.

The following table sets out the maximum number of securities under options issuable to the Underwriters in connection with the Offering:

Underwriters' Position	Maximum Number of Securities	Exercise Period	Exercise Price
Over-Allotment Option[(1)]	• Over-Allotment Shares	For a period of 30 days from and including the Closing Date	$● per Over-Allotment Share
Broker Warrants	• Common Shares	24 months from the Closing Date	$● per Common Share
Total securities under option issuable to the Underwriters	• Common Shares		

(1) This Prospectus qualifies the distribution of the Over-Allotment Option and the Over-Allotment Shares. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to the "Offering", "Offered Shares" and "Broker Warrants" assumes the exercise of the Over-Allotment Option and the issuance of the Over-Allotment Shares.

The Company intends to complete a private placement (the "**Concurrent Private Placement**") of up to ● Common Shares (the "**Private Placement Shares**") at the Offering Price for gross proceeds of up to $●. This Prospectus does not qualify the distribution of the Private Placement Shares. The Private Placement Shares will be subject to a statutory four-month hold period from the closing of the Concurrent Private Placement. The closing of the Concurrent Private Placement is subject to TSXV approval. No commission or other fee will be payable to the Underwriters in connection with the sale of the Private Placement Shares pursuant to the Concurrent Private Placement; however, Numus Capital Corp., a company in which a director of the Company is a shareholder, is acting as selling agent in the Concurrent Private Placement, and is expected to be paid fees consistent with the fees being paid to the Underwriters in connection with the Offering. See "*Plan of Distribution – Concurrent Private Placement*".

Investing in the Offered Shares is speculative and involves significant risks. You should carefully review and evaluate the risk factors contained in this Prospectus and in the documents incorporated by reference herein before purchasing the Offered Shares. See "*Forward-Looking Information*" and "*Risk Factors*".

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 conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*", and subject to the approval of certain legal matters on behalf of the Company by Fogler, Rubinoff LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about March 12, 2020, or such other date as may be agreed upon by the Company and the Underwriters, but in any event not later than 42 days after the date of the receipt of the (final) short form prospectus (the "**Closing Date**"). In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Offered Shares at a lower price than stated above.** See "*Plan of Distribution*".

It is anticipated that the Offered Shares will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of Offered Shares will receive only a customer confirmation from the registered dealer from or through which the Offered Shares are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Shares on behalf of owners who have purchased Offered Shares in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

The Company's head office is located at Unit 7, Castletroy Business Park, Castletroy, Limerick, Ireland, and the Company's registered office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, B3J 3R7.

TABLE OF CONTENTS

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, the "**Company**", "**Kneat**", "**we**", "**us**" and "**our**" refer to kneat.com, inc. and its wholly-owned subsidiaries, Kneat Solutions Limited and Kneat Solutions Inc.

An investor should rely only on the information contained or incorporated by reference in this Prospectus. The Company or the Underwriters have not authorized anyone to provide investors with additional or different information. The Company and the Underwriters are not making an offer to sell or seeking offers to buy the Offered Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Offered Shares. The Company's business, financial condition, results of operations and prospects may have changed since that date.

All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING INFORMATION

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

- the completion of the Offering and the Concurrent Private Placement and the receipt of all regulatory and stock exchange approvals in connection therewith;
- the use of the net proceeds of the Offering and the Concurrent Private Placement;
- the performance of the Company's business and operations;
- the development plans for the Kneat Gx platform ("**Kneat Gx**");
- the Company's competitive and business strategies;
- the compliance of Kneat Gx under regulatory audit and inspection;
- the Company's strategy for protecting its intellectual property;
- the Company's plan and ability to secure additional customers and additional revenues;
- the ability to scale Kneat Gx within the customers' sites and processes;
- the Company's ability to hire and retain skilled staff;
- the estimate of the market size and market potential for Kneat Gx;
- the ability to obtain financing on favorable terms or at all to fund future expenditures, including product development and capital requirements; and
- the risk of competitors entering the market and the competitive conditions of the industry.

In particular, this Prospectus contains forward-looking statements in connection with the anticipated Closing Date, anticipated TSXV approval and the anticipated use of the net proceeds of the Offering and the Concurrent Private Placement. Forward-looking statements contained in certain documents incorporated by reference in this Prospectus are based on the key assumptions described in such documents. Certain of the forward-looking statements contained herein and incorporated by reference concerning the Company's business and operations are based on estimates prepared by Kneat using data from publicly available sources, as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Kneat believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Kneat is not aware of any misstatement regarding any industry data presented herein, such data involve risks and uncertainties and are subject to change based on various factors.

Purchasers are cautioned that the above list of cautionary statements is not exhaustive. A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Prospectus or in any document incorporated by reference. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed with the securities regulatory authorities in each province of Canada (except Québec), are specifically incorporated by reference and form an integral part of this Prospectus:

(a) the Company's Annual Information dated April 24, 2019 for the financial year ended December 31, 2018 (the "**Annual Information Form**");

(b) the Company's audited financial statements as at and for the financial years ended December 31, 2018 and December 31, 2017, and related notes thereto, together with the independent auditors' report thereon (the "**Annual Financial Statements**");

(c) the management's discussion and analysis for the financial year ended December 31, 2018 (the "**Annual MD&A**");

(d) the Company's unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2019 and September 30, 2018, and related notes thereto (the "**Interim Financial Statements**");

(e) the management's discussion and analysis for the three and nine months ended September 30, 2019 (the "**Interim MD&A**"); and

(f) the management information circular of the Company dated May 15, 2019 distributed in connection with the Company's annual and special meeting of shareholders held on June 19, 2019.

Any document of the type referred to in paragraphs (a)-(f) above or similar material and any documents required to be incorporated by reference herein pursuant to Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* (excluding confidential material change reports) that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces 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 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 constitute a part of this Prospectus, except as so modified or superseded.

MARKETING MATERIALS

Any template version of "Marketing Materials" (as defined in NI 41-101) filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated in this Prospectus. The Marketing Materials do not form part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus.

DESCRIPTION OF THE BUSINESS

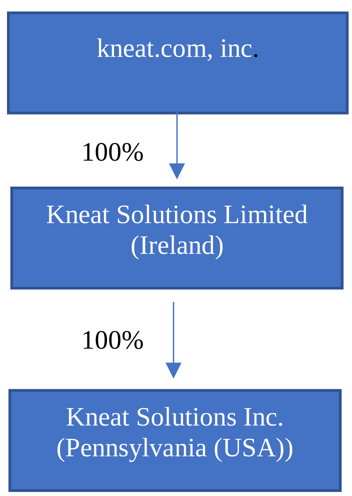
Corporate Structure

The Company was incorporated on December 12, 2013 under the *Canada Business Corporations Act*. On June 27, 2016, the Company completed a transaction with Kneat Solutions Limited and 9617337 Canada Limited (now renamed Fortune Bay Corp., hereinafter referred to as "**Spinco**"), pursuant to which the Company: (i) spun out its resource properties to Spinco by way of a court-approved plan of arrangement in Ontario (the "**Arrangement**"); and (ii) acquired 100% of the issued and outstanding ordinary shares of Kneat Solutions Limited by way of a concurrent scheme of arrangement in Ireland (together with the Arrangement, the "**Transaction**").

Pursuant to the Transaction, shareholders of the Company received one (1) new common share of kneat.com (each a "**Common Share**") and one and one-half (1.5) of a common share of Spinco in exchange for each three (3) pre-Arrangement common shares of the Company.

The Company commenced trading on the TSXV as kneat.com on July 5, 2016 under the symbol KSI. The Company's head office is located at Unit 7, Castletroy Business Park, Castletroy, Limerick, Ireland. The registered office of the Company is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3R7.

The following chart sets out the organizational structure of the Company as of the date of this prospectus:



Business of the Company

Kneat designs, develops and supplies software for data and document management within regulated environments. The Company's current product is Kneat Gx, a configurable, commercial, off-the-shelf application focused on validation lifecycle management and testing within the life sciences industry (i.e. biotechnology, pharmaceutical and medical device manufacturing). Complete and comprehensively documented validation of processes, products, equipment and software is a significant and costly regulatory requirement in the life sciences industry. Kneat Gx provides a digital solution that enables companies in the life sciences industry to become efficient and compliant with an automated process that has traditionally been manual, inefficient and paper-based.

Every manufacturing process, piece of equipment and computer system involved in the manufacturing of pharmaceutical, biotechnology and medical device products must be validated in accordance with current Good Manufacturing Practice ("**cGMP**") regulations. Validation necessitates extensive signed and time stamped documentary evidence that all aspects of these systems are designed and tested to ensure that they will repeatedly produce products to the approved specifications. This documentation is subject to audit by global regulatory authorities such as the U.S. Food and Drug Administration and the European Medicines Agency.

Traditionally, validation and testing has been a manual, paper intensive activity whereby test documents had to be developed, printed, approved, executed, post approved and filed, ready for regulatory audit in the future. In many companies in the life sciences industry, much of this is still done on paper using wet ink to record, apply proof of signature and date stamp. This process can leave life sciences companies susceptible to production delays, high costs associated with data and document management and risk of non-compliance. Non-compliance can lead to regulatory recalls, threats to patient safety and delays to market. In addition, non-compliance may result in significant penalties, remediation costs and lost revenues.

The solution that Kneat provides has taken a dedicated professional team of industry specialists years of research and development. Kneat's customers have cited key differentiators that set Kneat Gx apart in the market, including: innovation, ease of use, processing of end-to-end capabilities in one single integrated application (not bundled software), its central and dynamic data management, its configurability and its electronic records and signatures capabilities. In addition, Kneat's team of developers, training solutions, customer service and support are considered best in class by its customers.

The Company possesses a top tier quality management system and is certified to ISO 9001:2015. In addition, Kneat Gx adheres to all applicable life sciences regulations, including all current cGMP regulations, GAMP5, International Conference on Harmonization ICH Q8, Q9 and Q10, EU Annex 11, and FDA CFR Title 21 Part 11 governing Electronic Records and Electronic Signatures. Adhering to these regulations and guidelines is a mandatory requirement in order to supply to this highly regulated market. Potential customers perform extensive detailed audits to verify compliance prior to purchasing the Company's software and services.

Recent Developments

Throughout 2019 and to-date in 2020, Kneat continues to focus on scaling its technology within existing customers, new customer acquisition and ongoing product development.

On February 21, 2019, Kneat announced a channel partnership with HCL Technologies ("**HCL**"), a global technology company that provides digitization solutions to customers within the life sciences industry. Through the partnership, Kneat and HCL are working together on projects to provide and implement next generation digital solutions for facilities, equipment and computer systems validation processes using Kneat Gx and HCL's experience delivering innovative digital solutions to the life sciences industry.

Since the beginning of 2019, Kneat has announced seven new customers, all of which are large, multinational enterprises, with three being top 15 global pharma companies. These new customers added substantially to Kneat's potential install base within existing customers, which is now in excess of 300 manufacturing sites. Kneats' goal is to work with all of its customers to expand Kneat Gx across all their manufacturing sites for multiple regulated work processes in the coming years and this is a key ongoing focus for Kneat, leading to increasing license sales to existing customers.

CONSOLIDATED CAPITALIZATION

Since September 30, 2019, the date of the Company's most recent unaudited interim financial statements, there have been no material changes to the Company's share and loan capitalization on a consolidated basis except the issuance of a total of 285,545 Common Shares pursuant to the exercise of stock options and broker warrants (see "*Prior Sales*").

As at the close of business on February 25, 2020, the Company had 60,297,952 Common Shares issued and outstanding. Upon completion of the Offering and the Concurrent Private Placement (if subscribed in full), there will be an aggregate of [**•**] Common Shares issued and outstanding ([**•**] Common Shares if the Over-Allotment Option is exercised in full).

In addition, as at the close of business on February 25, 2020, the Company had outstanding (i) Common Share purchase warrants to purchase up to an aggregate of 299,981 Common Shares at an exercise price of $1.05 per Common Share; (ii) 3,297,639 stock options; and (iii) 468,053 deferred share units.

The above should be reviewed in conjunction with the Annual Financial Statements, Annual MD&A, Interim Financial Statements and Interim MD&A of the Company.

USE OF PROCEEDS

Proceeds

The net proceeds to the Company from the Offering and the Concurrent Private Placement (if subscribed in full) are estimated to be $[**•**], after deducting the payment of the Underwriters' Fee of $[**•**] and fees to be paid to dealers with respect to the Concurrent Private Placement of $[**•**] (if subscribed in full), but before deducting the expenses of the Offering and the Concurrent Private Placement (estimated to be approximately $250,000). If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering and the Concurrent Private Placement are estimated to be $[**•**], after deducting the Underwriters' Fee of $[**•**] and fees to be paid to dealers with respect to the Concurrent Private Placement of $[•] (if subscribed in full), but before deducting the expenses of the Offering and the Concurrent Private Placement (estimated to be approximately $250,000).

Principal Purposes

The Company intends to use the majority of the net proceeds of the Offering for the following purposes:

Use of Funds	Amount	Time Period of Expenditures
Sales and marketing function expansion	$•	12 – 18 months
Headcount and costs associated with operational team	$•	12 – 18 months
Customer pre and post sales support and account management	$•	12 – 18 months
Repayment of loan amounts due to Enterprise Ireland	$•	6 -36 months
Working Capital	$•	12 - 18 months

The Company has a loan outstanding with Enterprise Ireland in the amount of $832,521 as of December 31, 2019. This loan is repayable over the period to 31 March 2022.

The item "working capital" in the table above includes expenses related to salaries (current and expected), rent, travel, investor relations, communication and other general corporate purposes as estimated for 12 to 18 months following the Offering.

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

Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by a government authority.

If the Over-Allotment Option is exercised in full, the Company will receive additional net proceeds of $[**•**] after deducting the Underwriters' Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be added to general working capital.

The Company had negative operating cash flow for its most recent financial year. Additional financing will be required to support the Company's operating and investing activities, as the Company plans to continue to expand its operations for the foreseeable future. To the extent the Company has negative cash flows in future periods, the Company may use a portion of its general working capital (including the proceeds of the Offering and the Concurrent Private Placement) to fund such negative cash flow. See "*Risk Factor - Negative Cash Flow from Operation*s".

Business Objectives and Milestones

Kneat Gx has been implemented at multiple customer sites. It continues to be developed as new functionality is added to build the product vision of a total quality management SaaS platform for customers of all sizes. The next phase in developing Kneat Gx over the next twelve to eighteen months includes new features to:

- accelerate expansion into more of existing customers' sites and business areas;
- reduce sales, deployment and global roll out cycle times;
- reduce post sale support and maintenance cost and timelines;
- accelerate the use of channel integration and service partners; and
- increase customer return on investment.

Kneat's key business objectives are to win and service additional contracts with new customer targets and further expand to new manufacturing sites and business processes within the current customer base. Kneat plans to expand the team needed to achieve this and support its growing list of global customers through pre sale, deployment, post sale and account management support.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company will agree to sell and the Underwriters will severally (and not jointly or jointly and severally) agreed to purchase, as principals, on the Closing Date, [**•**] Offered Shares at the Offering Price, for aggregate gross consideration of $[**•**], payable in cash to the Company against delivery of the Offered Shares. The Offering Price was determined by arm's length negotiation between the Company and the Lead Underwriters on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares. The obligations of the Underwriters under the Underwriting Agreement will be several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of "disaster out", "material change out" and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters will, however, be obligated to take up and pay for all of the Offered Shares if any Offered Shares are purchased under the Underwriting Agreement.

The Company will grant to the Underwriters an Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to an additional [**•**] Over-Allotment Shares at the Offering Price to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. This Prospectus qualifies the distribution of the Over-Allotment Option and the

Over-Allotment Shares. A purchaser who acquires Over-Allotment Shares forming part of the Underwriters' over-allocation position acquires those Over-Allotment Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Underwriters in connection with the Offering, and pursuant to the terms of the Underwriting Agreement, the Company will agree to pay the Underwriters the Underwriters' Fee equal to the sum of (i) 6% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option), but excluding gross proceeds raised from the President's List Sales and (ii) 1% of the gross proceeds raised from the President's List Sales. The Underwriters will also receive Broker Warrants to purchase that number of Common Shares that is equal to 6% of the number of Offered Shares sold pursuant to the Offering (including any Over-Allotment Shares sold pursuant to the exercise of the Over-Allotment Option), but excluding Offered Shares sold pursuant to the President's List Sales. Each Broker Warrant is exercisable to purchase one Common Share at a price of $● for a period of 24 months from the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants.

The Offering is being made in each of the provinces of Canada, excluding the province of Québec. The Offered Shares will be offered in each of the relevant provinces of Canada through those Underwriters or their affiliates who are registered to offer the Offered Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Offered Shares in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters.

The Company will apply to list the Offered Shares (including the Over-Allotment Shares) to be distributed under this Prospectus on the TSXV. Listing will be subject to the Company fulfilling all of the requirements of the TSXV.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company.

Pursuant to the Underwriting Agreement, the Company has agreed not to, directly or indirectly, issue or sell or agree to issue or sell, any additional debt or securities (including those that are convertible into or exchangeable into securities of the Company) for a period of 90 days from the Closing Date without the prior written consent of the Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, other than pursuant to (i) the issuance of Common Shares in connection with the exercise of any currently outstanding options of the Company, (ii) the issuance of options to acquire Common Shares pursuant to the Company's stock option plan, and the issuance of Common Shares in connection with the exercise of any such options, (iii) the issuance of awards pursuant to the Company's incentive award plan; and (iv) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been disclosed to the Underwriters.

The Company has also agreed to use its best efforts to cause each of the directors, officers and 10% shareholders of the Company to enter into lock up agreements in favour of the Underwriters evidencing their agreement not to, for a period of 90 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, grant an option to purchase, make any short sale or otherwise dispose of or transfer, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of the Common Shares, or announce its intention to do any of the foregoing, whether now owned directly or indirectly, or under their control or direction, other than pursuant to the terms of the lock up agreements.

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

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Each Underwriter has agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable United States federal and state securities laws, it will not offer or sell the Offered Shares at any time in the United States as part of its distribution. The Underwriting Agreement permits the Underwriters to re-offer and re-sell the Offered Shares that they have acquired pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in the United States in compliance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Shares that are offered or sold in the United States will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about March 12**,** 2020, or such other date as may be agreed upon by the Company and the Underwriters, but in any event not later than 42 days after the date of the receipt of the (final) short form prospectus. It is anticipated that the Offered Shares will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Offered Shares will receive only a customer confirmation from the registered dealer from or through which the Offered Shares are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Shares on behalf of owners who have purchased Offered Shares in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required.

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

Concurrent Private Placement

The Company intends to complete the Concurrent Private Placement of up to ● Private Placement Shares at the Offering Price for gross proceeds of up to $●. This Prospectus does not qualify the distribution of the Private Placement Shares. The Private Placement Shares will be subject to a statutory four-month hold period in Canada from the closing of the Concurrent Private Placement. The closing of the Concurrent Private Placement is subject to TSXV approval. No commission or other fee will be payable to the Underwriters in connection with the sale of the Private Placement Shares pursuant to the Concurrent Private Placement; however, Numus Capital Corp., a company in which a director of the Company is a shareholder, is acting as selling agent in the Concurrent Private Placement, and is expected to be paid fees consistent with the fees being paid to the Underwriters under the Offering.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Offered Shares are offered at the Offering Price of $• per Offered Share.

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. As at the close of business on February 25, 2020, there were 60,297,952 Common Shares issued and outstanding.

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. The holders of Common Shares are entitled to receive dividends if, as and when declared by the board of directors of the Company. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably in any distribution of the property or assets of the Company, subject to the rights of holders of any other class of securities of the Company entitled to receive assets or property of the Company upon such distribution in priority or rateably with the holders of Common Shares.

As of the date of this Prospectus, the Company has neither declared nor paid any dividends on its Common Shares since the date of its incorporation. Any payments of dividends on the Common Shares will be made in accordance with the *Canada Business Corporations Act*, and will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors of the Company may consider appropriate under the circumstances. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus.

Date	Type of Security Issued	Issuance/Exercise Price per Security	Number of Securities Issued
6-Feb-2020	Common Shares(1)	$0.58	6,000
6-Feb-2020	Common Shares(1)	$0.80	3,333
6 -Feb-2020	Common Shares(1)	$0.57	29,650
5-Feb-2020	Common Shares(1)	$0.57	29,650
3-Feb-20	Common Shares(1)	$0.80	100
23-Jan-20	Common Shares(2)	$1.05	43,879
16-Dec-19	Common Shares(1)	$0.90	6,666
9-Oct-19	Common Shares(2)	$0.90	106,266
30-Sep-19	Common Shares(2)	$0.90	225,639
29-July-19	Common Shares(2)	$0.90	12,536
15-Jul-2019	Common Shares(1)	$0.80	3,315
28-Jun-2019	Common Shares(1)	$0.55	1,800
4-Mar-2019	Common Shares(1)	$0.90	200,000

(1) Issued pursuant to the exercise of stock options.

(2) Issued pursuant to the exercise of broker warrants.

TRADING PRICE AND VOLUME

The outstanding Common Shares are traded on the TSXV under the trading symbol "KSI". The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares for the 12-month period prior to the date of this Prospectus (Source: TMX Data).

Period	High Trading Price	Low Trading Price	Volume
February 1-25 2020	$3.02	$2.02	1,016,210
January 2020	$3.19	$2.60	1,608,203
December 2019	$2.75	$1.83	1,159,703
November 2019	$2.12	$1.60	941,781
October 2019	$1.76	$1.30	857,097
September 2019	$1.54	$1.19	838,775
August 2019	$1.37	$1.23	340,798
July 2019	$1.31	$1.20	591,405
June 2019	$1.50	$1.17	766,960
May 2019	$1.65	$1.19	1,064,984
April 2019	$1.34	$1.18	366,305
March 2019	$1.35	$1.09	680,909
February 2019	$1.40	$1.06	1,167,821

On February 25, 2020, the last full day of trading prior to the date of this Prospectus, the closing price per Common Share on the TSXV was $2.17.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fogler, Rubinoff LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder, in force as of the date hereof, the Offered Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan, provided that the Offered Shares are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes the TSXV) or the Company qualifies as a "public corporation" (as defined in the Tax Act).

Notwithstanding the foregoing, the holder or subscriber of, or annuitant under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Offered Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. An Offered Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Company for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) the Tax Act) in the Company. Controlling Individuals should consult their own tax advisors as to whether the Offered Shares will be a prohibited investment in their particular circumstances.

RISK FACTORS

An investment in the Offered Shares is speculative and involves certain risks. When evaluating the Company and its business, prospective purchasers of the Offered Shares should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading "*Risk Factors*" in the Annual Information Form, which is incorporated by reference herein.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company is unaware of or that are currently deemed immaterial, may also adversely affect the Company and its business.

Risks Related to the Offering

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering and the Concurrent Private Placement as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering and the Concurrent Private Placement. Management may use the net proceeds of the Offering and the Concurrent Private Placement other than as described under the heading "*Use of Proceeds*" if they believe it would be in the Company's best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

Additional Financing

The continued development of the Company may require additional financing. The failure to raise or procure such additional funds as required could result in the delay or indefinite postponement of business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution.

Active Liquid Market for Common Shares

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSXV. Investors may not be able to sell their Common Shares quickly or at the latest market price if trading in the Common Shares is not active.

Volatile Market Price of the Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the

Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants.

Negative Cash Flow from Operations

During the fiscal year ended December 31, 2018 and the nine-month period ended September 30, 2019, the Company had negative cash flow from operating activities. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering and the Concurrent Private Placement may be used to fund such negative cash flow from operating activities.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

AGENT FOR SERVICE OF PROCESS

Edmund Ryan, Kevin Fitzgerald, Paul Breen, Rory Cameron and Hugh Kavanagh, director and officers of the Company, reside outside of Canada. Each of Edmund Ryan, Kevin Fitzgerald, Paul Breen, Rory Cameron and Hugh Kavanagh has appointed the following agent for service of process: Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, Toronto, ON, M5K 1G8.

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

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon on behalf of the Company by Fogler, Rubinoff LLP, and on behalf of the Underwriters by Blake, Cassels & Graydon LLP. As at the date hereof, the partners and associates of Fogler, Rubinoff LLP and Blake, Cassels & Graydon LLP, each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

AUDITOR, TRANSFER AGENT AND REGISTRAR

PricewaterhouseCoopers LLP is the independent auditor of the Company and is independent within the meaning of the Chartered Professional Accountants of New Brunswick CPA Code of Professional Conduct.

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its offices in Halifax, Nova Scotia.

CERTIFICATE OF THE COMPANY

February 26, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Canada, excluding the province of Québec.

/signed/ "*Edmund Ryan*"	/signed/ "*Hugh Kavanagh*"
Edmund Ryan Chief Executive Officer	Hugh Kavanagh Chief Financial Officer

On behalf of the Board of Directors:

/signed/ "*Paul Breen*"	/signed/ "*Ian Ainsworth*"
Paul Breen Director	Ian Ainsworth Director

CERTIFICATE OF THE UNDERWRITERS

February 26, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Canada, excluding the province of Québec.

CORMARK SECURITIES INC.	**CANACCORD GENUITY CORP.**
/signed/ "*James Austen*" By: James Austen Director	/signed/ "*Mike Lauzon*" By: Mike Lauzon Managing Director