



MARTEL TRANSPORTATION TECHNOLOGY INC.

Crowdfunding Offering Document

OFFERING TO RAISE UP TO \$1,500,000
CONVERTIBLE PREFERRED WITH FIXED 4% DIVIDEND
\$7.50 Price per Share

November 1, 2022

Form 45-110F1
Offering Document

Item 1: RISKS OF INVESTING

- 1. No securities regulatory authority or regulator has assessed, reviewed, or approved the merits of these securities or reviewed this Offering Document. Any representation to the contrary is an offence. This is a risky investment.**
- 2. The forecasts and predictions of an early-stage business are difficult to objectively analyze or confirm. Forward-looking statements represent the opinion of the issuer only and may not prove to be reasonable.**

CONFLICT OF INTEREST NOTIFICATION

In accordance with National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (“NI 31-103”) and its Companion Policy (“NI 31-103 Companion Policy”), the Company is disclosing the following material conflict of interest:

The Company, Martel Transportation Technology Inc. pursuant to securities legislation may be considered to be a Connected Issuer to the registrant, 108 Securities Inc. As such, the Company, acknowledges the possibility of a Material Conflict of Interest with this offering. The Company addresses this material conflict of interest by full disclosure to potential investors. The registrant, 108 Securities Inc. will conduct this offering pursuant to applicable securities legislation and in accordance with its compliance policies and procedures that it applies to any other offering on its platform. The Company has not conducted an independent review of its securities.

Item 2: THE ISSUER

2.1 The Issuer

- | | | |
|-----|-----------------|--|
| (a) | Full legal name | Martel Transportation Technology Inc. |
| (b) | Head office | 888 Boulevard Talbot, Chicoutimi, QC, Canada G7H 4B4 |
| (c) | Phone number | 418-696-0616 |
| (d) | Email address | investorrelations@MTT136.com |
| (e) | Website | mtt136.com |

2.2 Representative of the Issuer

(b)	Full legal name	Yvon Martel
(b)	Position/title	CEO and Co-Founder
(c)	Business address	888 Boulevard Talbot, Chicoutimi, QC, Canada G7H 4B4
(d)	Phone number	418-696- 0616
(e)	Email address	yvon.martel@mtt136.com

Item 3: ISSUER'S BUSINESS

Background

Martel Transportation Technology Inc. (doing business as “MTT” and herein also referred to as “MTT”, the “Issuer” or “Company”) is a manufacturer of a proprietary multi-use electric powered robotic single tracked vehicle. The business was founded in 2013 by Yvon Martel, who has a longstanding 30+ year background in industrial commercial heavy equipment, technical mechanical, maintenance and design. As an active outdoorsman, Yvon saw a need for a multi-use vehicle that could be used in extreme weather conditions (4 seasons) and could adapt to difficult use cases that could not be met by any single off-road vehicle currently in the market. This vehicle has to be narrow and stable enough to navigate easily between trees or obstacles with its minimal frontal area of 22’’ wide and 24’’ height. Specifically, a vehicle that could have the option to be operated autonomously could have multiple features including towing, power generation source, hauling, multiple configurations in hot and cold weather conditions with an ability to regenerate power and travel long distances with very diverse rugged terrain and remote locations. After building multiple iterations or prototypes to establish the optimal features to create a robust solution, his son Michael Martel (Engineer) joined the business in 2017, with strong education degrees in Mechanical/Electrical Engineering followed by a second degree in Engineering Manufacturing Technician which has been a critical element of the commercialization process. During this entire period the business has developed a comprehensive intellectual property position, both patented and trade secrets. With a well-defined product solution in place, and multiple use cases validated, the business has developed a scalable manufactured product, with a carefully designed supply chain management program to ensure consistency, quality and scalability. During this period the multi-iterations product development was funded through a unique investment structure consisting of patient private investors who collectively invested approximately \$5 million into MTT Manufacturing Inc., a wholly owned subsidiary of the Issuer, Martel Transportation Technology Inc. in exchange for preferred shares and a future royalty stream of 5% of top line product sales when the product will be eventually commercialized. Within the last six months, production has been formally set in motion, active sales efforts in targeted markets have been initiated and a well-defined financing strategy is underway. The MTT vehicle has an autonomy proportional to the number of batteries it carries in the sealed compartments provided for this purpose in the MTT vehicle. It is waterproof. It moves on snow, on ice, in sand, on concrete surfaces, in mud, in the mountains, in dense forests and difficult to access both for humans and for other types of vehicles. It moves on very inclined surfaces. The MTT vehicle is designed to travel in extremely hot or cold temperatures (Great North, Arctic, Antarctic) or at extremely hot temperatures (in the desert). It is equipped with a battery heat recovery system for recharging the batteries in very cold weather.

Operations

The Company currently operates out of a leased 10,000 square foot commercial facility which has an

annual production capacity of 5,000 units. There are currently 10 employees across production, engineering, sales and management with an active plan to build out functional positions as the sales volumes begin to grow.

Production consists of 22 subassemblies which are outsourced to a carefully selected and specific network of manufacturers capable of building the proprietary MTT component parts. The supply chain logistics plan has identified alternate suppliers, volume price reductions, strategic relationships and specific outsourcing components that will be manufactured internally as volumes expand.

Yvon Martel, as founder and CEO, manages the overall operations of the business with a strong focus on the customer use case experience and innovations required to adapt to the needs. This has lead to strong product-market fits in the Company's initial target market focus.

Michael Martel, as CTO, manages all aspects of the technical design, certification, manufacturing, supply chain logistics together with technical sales for all business development customer relationships.

Products and Pricing

MTT's core product line is currently based on two models, MTT-154 (88-inch length) and the MTT-111 (60-inch length) built to rigorous commercial standards together with a variety of accessories specific to the use cases and applications. The vehicles are coupled with trailers or sleds as the conditions require while the proprietary batteries can be managed with the power station accessory to store and recharge batteries between usage. Our batteries, with CE and UL approvals are expected to last 15 years with near full capacity. **Separate and distinct market for proprietary battery. Example of a use case: Next time you run out of battery with your electric car, this could help you reach the next recharging station without having to call the towing.** Other mechanical accessories and autonomous software applications will evolve while in the medium term the Company will also generate revenues from licensing of proprietary intellectual property, replacement parts and warranties. All pricing is in Canadian Dollars with a core price adjusted dynamically based on supply chain inputs to protect contribution margins. During the pre-commercialization phase, the Company generated 100's of videos posted on YouTube and the website which generated more than 10 million views, 27,000 products inquiries received by email, 3,000 requests from more than 50 countries to represent that product and an agent or distributor. For the initial year, the company will sell and support product directly to end customers both ICI and retail in effort to clearly understand the customer needs and use case applications. Collectively, this earlier in-bound interest has provided substantial insights to our various target markets including, markets that have higher barriers to entry including customer access, regulatory certifications, customer openness to change, length of sales cycle, as well as price point in certain retail applications.

Market Opportunity and Sales Strategy

The MTT product is part of the global trend of the electrification of transportation. The Company estimates the current total addressable **global market to be 85 Billion USD** comprised of approximately 50% Military and Non-Military Defense, 20% Industrial, 15% Consumer and 15% NGO and Government with an annual CAGR of 4-6%. Specifically, the Company is focusing on the target market for off-road multi-use robotic vehicles that displace labour and other sub-optimal equipment solutions including hauling, generators and related electrical power uses and difficult-to-access terrain.

The Company's shorter term 12 – 24-month sales strategy is to focus on the Industrial and Consumer Markets where demand has already been validated and customers prepared to pay for product without exception. Priority is being given geographically Quebec, Ontario and the rest of Canada, followed by the USA in the same niche markets that we will be selling in Canada. Specifically, we have booked orders in Agriculture (Dairy, Fruit/Vegetable, Maple Syrup) Fat/Mountain Bikes (trail grooming and maintenance), Agriculture (labour displacement for transport crops and livestock feed), Hunting/Fishing/Trapping (transportation of people, gear and tags) Mobile Power generation (mobile and quiet 110v power on job sites), Lumber Mills (clean up debris under conveyors). Based on different penetration rates for each of these markets, we have identified a potential of in excess of 10,000-unit purchases in the 1st 24 months across Canada and USA.

Other very significant markets with similar use case labour displacement, access restrictions and power source input needs, are being pursued through rigorous customer driven evaluation processes which the Company expects to be translated into substantial orders within the 12–24-month timeline which will match up with the production and financing strategy. Base case analysis suggests unit sales will realistically be in the 1,000 – 3000-unit range with a proportional complement of batteries and accessories. Core drivers in the scale up process will be quality, maintaining current production model features, long lead time logistics and capturing expanding margins through volume production purchases.

Competitive Conditions

Currently, the competitive condition in the market for multi-use electric powered robotic single tracked vehicles has indirect competitive solutions that do not provide the same product features and benefits at the MTT product. Accordingly, due to its unique product features and proprietary intellectual property, the Company views the MTT solution as disruptive and new customer acquisitions are determined on the basis of product price, features and benefits, maintenance in comparison to products currently being sold in the specific target markets. Specifically, in addition to price, the discriminating customers are making purchase decisions based upon range and mobility, autonomy features, cost to upkeep, charging ecosystems, durability and longevity.

Previous Milestones, Growth and Expansion

Since founding the business in 2013, the Company has taken a methodical approach to the product development process with a strong emphasis of working closely with the target end-users who

pushed the standards for product performance and design. Through this process, a rigorous intellectual property and patent filing process was in place to ensure that the innovations were captured in a structured manner. The off-road Military Defense, Construction, Rescue and Wilderness Terrain use case markets provided the foundation for the product development. Since 2020, the primary focus was to lock down the core product features, and design followed by the development of a rigorous manufacturing process development which was finalized in late 2021.

During the past 12 months, the Company has attracted a variety government sponsored funding sources aggregating \$750,000 and private placements of \$1,000,000 to support the working capital needs as unit production started in Q2 2022 totaling 60 units. Selling efforts were initiated in Q1 2022 with short term objective of selling 50 units with upfront deposits and an additional 10 units reserved for demonstration of new large market seeding where the sales are likely to result in multi-unit large customer purchases.

3.1 The Issuer's Articles of Incorporation are available upon request to request to support@mtt136.com.

The Issuer, Martel Transportation Technology Inc., is incorporated under the laws of Canada pursuant to the *Canada Business Corporations Act* (the "*Act*"); its incorporation number is 1176387893 and it was incorporated on March 15, 2021.

3.2 The Issuer's current state of operations are described, as selected:

- ☐ has never conducted operations.
- ☐ Is in the development stage.
- ☒ is currently conducting operations.

3.3 Financial statements of the Issuer may be delivered upon request direct to the issuer at support@mtt136.com

Information for purchasers: If you receive financial statements from an Issuer conducting a Start-Up Crowdfunding Distribution, you should know that those financial statements have not been provided to or reviewed by a security's regulatory authority or regulator. They are not part of this Offering Document. You should also consider seeking advice from an accountant or independent financial adviser about the information in the financial statements.

3.4 As of the date of this Offering Document, there are the following securities authorized and outstanding:

Class	Issued	Authorized	Select Info
“Class A” Common Shares	10,000,000	No maximum	See Item 5.5
“Class B” Common Shares	Nil	No maximum	The Series G-1, G-2 and G-3 Convertible Preferred Shares will be convertible into Class B Common Shares under pre-specified conditions (see below)
“Class H” Common Shares	Nil	Up to a maximum of 10% of the issued and outstanding Class A and Class B Common Shares	Non-voting until company goes public and all common share classes are voting It is the Company’s intention to establish a stock option plan (SOP) wherein the Company would grant Class C common share purchase option at prices and terms set out therein, to management and other participants that vest over a certain period of time to attract and retain talented employees. The Company expects to limit the number of options issued under the plan to no greater than 10.00% of its outstanding and issued shares.
“Series G-1” Preferred Shares	Nil	No maximum	Convertible into Class B Common Shares automatically at “Conversion Value” at time when the company goes public. The security holder is entitled to a 4% cumulative dividend. First rights on dissolution.
“Series G-2 “ Preferred Shares	Nil	No Maximum	Convertible into Class B Common Shares automatically at “Conversion Value” at time when the company goes public. The security holder is entitled to a 4% cumulative dividend. First rights on dissolution.
“Series G-3” Preferred Shares	Nil	No Maximum	Convertible into Class B Common Shares automatically at “Conversion Value” at time or when the company goes public. The security holder is entitled to a 4% cumulative dividend. First rights on dissolution.

(1) As defined in the Company’s Articles.

Item 4: MANAGEMENT

4.1 Information for each promoter, director, officer, and control person of the Issuer:

Full legal name, residence, and position	Principal occupation for he last five years	Relevant expertise, education, and experience	Number and type of securities owned	Date securities acquired and price paid	Ownership as of the date of this offering document
Yvon Martel Saguenay, Quebec Canada CEO, <i>Director and Co-founder</i>	Co-Founder and CEO of Martel Transportation Technology Inc. (MTT)	<p>Prior 35+ year career in heavy equipment design, maintenance and manufacture for Caterpillar and others with last 10 years as owner and operator of MTT.</p> <p>As founder of MTT, has been responsible for many functions including product development, business development operations and financial stability of the Company.</p>	10 000 000 Class A Voting Common Shares	March 16, 2022	97%

Michael Martel Saguenay, Quebec Canada <i>Chief Technology Officer</i>	CTO of MTT and Co-founder	Michael is CTO of MTT with extensive contributions to technical product development, manufacturing, use case testing and quality control. His extensive training in mechanical, electrical and software engineering ensured launch of the commercial product.	100,000 Class A Voting Common Shares	March,17 2021, Class A Voting Common Shares issued	1%
Louis Déry Saguenay, Quebec Canada <i>Title: General Manager</i>	General Manager of MTT	Experienced background in business management, finance and optimizing performance businesses.			

Michael F. Crowley City of London Province of Ontario Canada <i>Title: Vice-president Finance Business development</i>	Operated privately owned private equity investment corporation and venture capital fund and registered Exempt market Dealer	Deep background in entrepreneurial based business sales and growth-oriented business. Worked in various capacities as officer /CEO, CFO and owner/Director roles. Experienced in financing building teams for growth - oriented businesses.			
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Pascal Girard City Saguenay Province Quebec Canada <i>Title:</i> <i>Sales Director</i>	Operated privately owned business in marketing and sales agency	Experienced in sales and business development and operations of entrepreneurial businesses	50 000 Class A Voting Common Shares	Purchased June 16, 2022	0.5%
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For more information see Item 3.6.

4.2 No person listed in Item 4.1 or the Issuer, as the case may be:

- ✓ has ever pleaded guilty to or been found guilty of
 - (i) a summary conviction or indictable offence under the Criminal Code,
 - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,
 - (iii) a misdemeanor or felony under the criminal legislation of the United States of America, or any state or territory therein, or
 - (iv) an offence under the criminal legislation of any other foreign jurisdiction,
- ✓ is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by, or has entered into a settlement agreement with, a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last 10 years related to:
 - (i) the person's involvement in any securities, insurance, or banking activity, or
 - (ii) a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct,
- ✓ is or has been the subject of an order, judgment, decree, sanction or administrative penalty imposed by a discipline committee, professional order or administrative court of Canada or a foreign jurisdiction in the last ten years related to any professional misconduct,
- ✓ is or has ever been the subject of a bankruptcy or insolvency proceeding, or
- ✓ Is a director, officer, founder or control person of a person or company that is or has been subject to a proceeding described in paragraph (a), (b), (c) or (d) above.

Item 5: CROWDFUNDING DISTRIBUTION

5.1 The Company has engaged 108 Securities Inc. (“108”) as the funding portal for distributions pursuant to National Instrument 45-110 Start-Up Crowdfunding Registration and Prospectus Exemptions (NI 45-110) (the “Crowdfunding Distribution”) and agent for distributions pursuant to other available prospectus exemptions as described in National Instrument 45-106 Prospectus Exemptions (NI 45-106) (together with the Crowdfunding Distribution, the “Offering”). 108 is an exempt market dealer. The Company intends to raise collectively up to \$15,000,000 across available prospectus exemptions.

5.2 The Issuer intends to raise funds in this Offering in all below selected jurisdictions, however, as stipulated by Part 1 Special Application 5(a) of NI 45-110, will provide the English language Offering Document to the below jurisdictions only with the exception of Quebec which the Offering Document be provided in French language as well.

<input checked="" type="checkbox"/> Alberta	<input type="checkbox"/> Newfoundland and Labrador	<input checked="" type="checkbox"/> Ontario
<input checked="" type="checkbox"/> British Columbia	<input type="checkbox"/> Northwest Territories	<input type="checkbox"/> Prince Edward Island
<input type="checkbox"/> Manitoba	<input type="checkbox"/> Nova Scotia	<input type="checkbox"/> Saskatchewan
<input checked="" type="checkbox"/> Quebec	<input type="checkbox"/> Yukon	
<input type="checkbox"/> New Brunswick	<input type="checkbox"/> Nunavut	

5.3 Information regarding the Crowdfunding distribution:

- (a) The date by which the Issuer must have raised the minimum offering amount, if any, as provided in **Item 5.7**, and conduct a closing under this Crowdfunding Distribution, January 29, 2023 which is within the 90-day limitation from the date of this Offering Document and related Crowdfunding prospectus exemption, as defined in *Item 13.2*.
- (b) This Offering Document has not been previously amended.

5.4 The eligible securities being offered are

- ☐ Common Shares
- ☐ Non-convertible preference shares
- ☒ Securities convertible into common shares (the “*Shares*” or “*Securities*”)
- ☐ Securities convertible into non-convertible preference shares
- ☐ Non-convertible debt linked to a fixed interest rate
- ☐ Non-convertible debt linked to a floating interest rate
- ☐ Limited partnership units
- ☐ Shares in the capital of an association

5.5 The securities offered have the following rights, restrictions, and conditions as per the Business Corporations Act (*Canada*):

- ✓ Voting: No
- ✓ Dividend and interests: yes
 - Security has a 4% annual cumulative dividend paid semi-annually. Directors may declare and authorize payment of dividend as they may deem advisable without notice.
- ✓ Rights on dissolution: Yes
- ✓ Conversion rights: Yes
- ✓ Tag-along rights: Yes
- ☐ Drag-along rights: No
- ☐ Pre-emptive rights: No.
- ☐ Other: None.

5.6 Other material restrictions or conditions:

- Each subscriber will be issued Series 1 Preferred Shares whose attributes which are defined in the Articles of Incorporation. Each Series G-1 Preferred Share will be convertible into one Class B Voting Common Share when the Company completes a ‘Going Public’ transaction. The Subscribers of the Series G-1 Preferred Shares will be converted at the closing of the transaction to ensure that full economic consideration has been given.

5.7 Information about the offering:

	Amount (\$)	Number of securities issuable
Minimum offering amount	\$0	0
Maximum offering amount	\$1,500,000 ⁽¹⁾	200,000
Price per security	\$7.50	

- (1) The Issuer may accept more than the maximum offering amount at its sole discretion using other available prospectus exemptions other than the 45-110 exemption outlined herein.
- (2) The Issuer intends to raise up to \$15,000,000 capital concurrently, on the same terms proposed herein, using other available prospectus exemptions, whereby all dilution will be restricted to only the founder, Yvon Martel's share position.

5.8 The minimum investment amount per purchaser is \$300.00. The Issuer may accept smaller denominations in its sole discretion.

5.9 **Note: Although there is no Minimum Offering Amount stated in this Offering Document, other funds may be raised on the same terms and will be unconditionally available to Martel Transportation Technology Inc. that are raised using other prospectus exemptions.**

Item 6: USE OF FUNDS

6.1 The funding history of the Issuer: ⁽¹⁾

Date	Amount	How the funds were Raised	Prospectus exemption used	Use of Funds
April - July 2022	\$1,000,000	Class A Common Shares Private Placement based on \$50,000,000 pre-money valuation	45-106 Accredited Investor and Friends, Family, and Business Associates Prospectus Exemptions	Working Capital

- (1) This table does not include the current private placement of securities contemplated herein.

6.2 Use of proceeds from this offering:

Description of intended use of funds listed in order or priority	Total amount (\$)	
	Assuming minimum offering amount	Assuming maximum offering amount
Facilities	\$ 0	\$140,000
Equipment	\$ 0	\$310,000
Human Resources	\$ 0	\$240,000
Inventory for Scaling	\$ 0	\$320,000
Marketing	\$ 0	\$200,000
Shipping	\$0	\$ 40,000
Branding	\$0	\$160,000
Offering costs – trade fees ⁽¹⁾	\$0	\$ 90,000
Total	\$0	\$1,500,000

(1) Specific trade fees presented are for illustrative purposes only. 108 may receive a trade fee only on eligible investments. For more information see **Item 8**.

Item 7: PREVIOUS START-UP CROWDFUNDING DISTRIBUTIONS

7.1 The Issuer has not raised funds previously under the Crowdfunding Exemption.

Item 8: COMPENSATION PAID TO THE FUNDING PORTAL

8.1 Pursuant to an agency agreement dated insert date, (the “**Agency Agreement**”) the Company has engaged 108 to provide services in connection with the Offering as described in **Item 5.1**. Under the Agency Agreement, the Company upon any closing under this Offering, subject to certain exceptions as defined in the Agency Agreement, the Company will pay 108 a cash trade fee per subscription equal to six percent (6%) of the subscription.

Full legal name of the funding portal	108 Securities Inc.
Full website address of the funding portal	108securities.com/online-portal/
Business email address of the funding portal	mcrowley@108securities.com
Full legal name of the Chief Compliance Officer	Michael F. Crowley
Full legal name of the contact person	Michael F. Crowley
Business address	3 Buchanan Court Suite 1 London ON N5Z 4P0 CAN
Business telephone number	519-859-7439

Disclosure: Michael F. Crowley is an Officer of Martel Transportation Technology Inc. Should any circumstances arise where there is a conflict of interest as it relates to this offering, he will recuse himself from the specific issue within defined internal policies and procedure processes.

Item 9: RISK FACTORS

9.1 There are certain risks inherent in the activities of the Issuer and in an investment in the securities, which investors should carefully consider before making an investment. The following is a summary only of some of the risk factors. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Issuer's business, and/or the return to the purchasers. The Issuer advises that prospective purchasers should consult with their own independent professional legal, tax, investment and financial advisors before purchasing the securities in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

The headings contained in this section are for reference purposes only and shall not affect the meaning or interpretation of the risks described herein (*i.e.*, a risk under the header "Financial Risks" is not exclusively a financial risk).

The risk factors outlined herein are not a definitive list of all risk factors associated with an investment in the securities offered hereunder and purchasers are cautioned that they may lose their entire investment.

SPECIAL NOTE REGARDING COVID-19

The global COVID-19 pandemic and containment measures taken in response to it have adversely impacted our business, results of operations and financial condition, and may continue to do so depending on future developments, which are uncertain.

Global health concerns relating to the COVID-19 outbreak have impacted the macroeconomic environment, and the outbreak has significantly increased economic uncertainty. The outbreak resulted in governments in countries across the globe implementing measures to try to contain the virus, such as travel restrictions, social distancing, and restrictions on business operations which have impacted consumers and businesses. These measures have adversely impacted and may further impact our workforce and operations and the operations of our customers, suppliers and business partners. While some of these measures have eased in certain jurisdictions, others have remained in place. The extent to which current measures are removed or new measures are put in place will depend how the pandemic evolves, as well as the progress of the global roll-out and acceptance of vaccines.

The spread of COVID-19 has caused us to modify our business practices and we may take further actions as required by government authorities or that are in the best interests of our employees, customers and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus or otherwise be satisfactory to government authorities. The

COVID-19 pandemic has adversely impacted our business, results of operations and financial condition. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a global pandemic, and, as a result, the ultimate impact of COVID-19 or a similar health epidemic is highly uncertain and subject to change. The extent to which COVID-19 further impacts our business, results of operations and financial condition will depend on future developments, which are uncertain, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse impacts to our business and our result of operations as a result of its global economic impact, including any recession that has occurred or may occur in the future.

Additional Note Regarding Forward-Looking Information

This Offering Document contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to anticipated events or results and may include information regarding the Issuer’s financial position, business strategy, growth plans, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding the Issuer’s expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Issuer operates is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

INVESTMENT RISKS

Securities are Speculative

The Securities offered hereunder must be considered highly speculative and an investment in such Securities involves a high degree of risk. A potential Subscriber should carefully consider the following risk factors in addition to the other information contained in this Offering Document before purchasing the Securities. Due to the nature of the business and the present stage of development of its business, the Issuer may be subject to significant risks. The Issuer’s actual operating results may be very different from those expected as at the date of this document and a Subscriber may lose all or part of his or her investment.

Any valuation of the Company at this stage is difficult to assess - The price per security in the future may be determined by management and may not bear any relationship to earnings, book value or other valuation criteria. The common share price for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

Dilution

After completion of the offering, existing shareholders may have their interests diluted. The exercising of outstanding stock options or warrants shall also have a dilutive effect on the interests of the new purchasers of the securities. Moreover, in the event the Issuer requires additional equity financing pursuant to the Securities offered under the offering, purchasers of the additional securities may experience further dilution to the extent that such securities may be issued for a value less than the price paid for conversion of shares acquired hereunder.

Tax Matters

The return on a shareholder's investment in his/her or its securities is subject to changes in Canadian Federal and Provincial tax laws, as well as any other tax laws applicable to the shareholders. There can be no assurance that the tax laws will not be changed in a manner which will fundamentally alter the tax consequences to investors of holding or disposing of securities.

Restrictions on Transfers; No Public Market

There is presently no public market for the securities and none is expected to develop in the foreseeable future. The securities are subject to substantial restrictions on transfer under securities laws and the Articles of the issuer. Accordingly, the Securities may not be resold or otherwise transferred, except in accordance with the Articles of the issuer or in accordance with such applicable Canadian securities laws.

FINANCIAL RISKS

No Assurance

There is no guarantee that the Issuer will achieve its investment objective or earn a positive return. The Issuer may never be able to increase its share price or valuation, or distribution dividends or distributions to investors.

No History of Dividends or Plan to Pay Dividends

The Issuer has never paid a dividend nor made a distribution on any of their securities. Further, the Issuer may never achieve a level of profitability that would permit payment of dividends or other forms of distribution to its shareholders. Given the stage of the Issuer's business, it will likely be a long period before the Issuer could be in a position to declare dividends or make distributions to its investors. The payment of any future dividends by the Issuer will be at the sole discretion of the Issuer's Board. Holders of eligible shares will be entitled to receive dividends only when, as, and if, declared by the Issuer's Board.

Further Need for Debt or Equity Financing

MTT may have to sell additional securities including, but not limited to, shares or some form of convertible security, the effect of which will result in a dilution of the equity interests of any existing shareholders. MTT may also need to raise capital by incurring long term or short-term indebtedness in order to fund its business objectives. This could result in increased interest expense or decreased net income. Security holders are cautioned that there can be no assurance as to the terms of such financing and whether such financing will be available. The level of MTT's indebtedness could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Uninsured Risks

MTT provides no assurance that it is adequately insured against all risks. MTT may become subject to liability for pollution or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for corporate activities.

PERSONNEL RISKS***Management and Personnel Risks***

The Issuer's business will be significantly dependent on the Issuer's management team including outside management advisors and consultants. The loss of the Issuer's directors, officers, other employees, advisors or consultants could have a material adverse effect on the Issuer. The Issuer's success depends, in part, on its ability to attract and retain key, technical, management and operating personnel, including consultants and members of the Issuer's board of Directors (the "**Board**"). The Issuer needs to develop sufficient expertise and add skilled employees or retain consultants in areas such as research and development, sales, and marketing in order to successfully execute its business plan. The Issuer may be unable to attract and retain qualified personnel or develop the expertise needed in these areas. If the Issuer fails to attract and retain key personnel, it may be unable to execute its business plan and its business could be adversely affected. As of the date of this offering, the Issuer does not maintain key person insurance on any member of its management.

Management Discretion as to Application of Proceeds

The net proceeds from this offering are intended to be used for the purposes described under **Item 6: Use of Funds**. However, MTT reserves the right to use the funds obtained from this offering for any general business purposes and such other purposes not presently contemplated which it deems to be in the best interests of the company and its shareholders. As a result of the foregoing, the success of MTT may be substantially dependent upon the discretion and judgment of management with respect to application and allocation of the net proceeds of the offering. Investors will be entrusting their investment to MTT's management, upon whose judgment and discretion, the investors must depend.

BUSINESS RISKS

Inability to Manage the Potential Growth of the Business

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train, and manage its employee base. The inability of the Issuer to deal with potential growth could have a material adverse impact on its business, operating results, financial condition or profitability. Any expansion of operations the Issuer may undertake will entail risks; such actions may involve specific operational activities, which may negatively impact the profitability of the issuer. Consequently, shareholders must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the issuer at that time, and (ii) management of such expanded operations may divert management's attention and resources away from any other operations, all of which factors may have a material adverse effect on the Issuer's present and prospective business activities.

Development Stage of Business Risks

The Issuer has only a limited history upon which an evaluation of its prospects and future performance can be made. The Issuer's proposed operations are subject to all business risks associated with new enterprises. The likelihood of the Issuer's success must be considered in context of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry and the development of a customer base. There is a possibility that the Issuer could sustain losses into the future. If the Issuer is unable to generate revenues or profits, investors might not be able to realize returns on their investment or prevent the loss of their investment.

Forward-Looking Statements and Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements and information. By its nature, forward-looking statements and information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and information or contribute to the possibility that predictions, forecasts, or projections will prove to be materially inaccurate.

Competition Risks

If the Issuer fails to compete effectively against larger, more established companies with greater resources, then its business may suffer. There can be no assurance that the Issuer's current or future products or services and the results of the Issuer's ongoing research and development efforts will result in products or services that will be viable for any commercial applications and, if viable, that potential customers will utilize the Issuer's products and services for the purposes intended. Increased competition may result in price reductions, reduced gross margins and loss of market share, any of which could materially and adversely affect the Issuer's business. The Issuer may not

be able to compete successfully against current and future competitors and the failure to do so would harm the Issuer's business.

Expansion Outside Canada

Martel Transportation Technology Inc.'s ability to grow its business outside its home market of Canada, if desired, is dependent on the availability of appropriate facilities, in strategic growth markets and licenses, registrations, and permits applicable for manufacturing, distribution, or export initiatives. Even if such facilities can be located at reasonable cost, there can be no assurance that it will be possible to obtain permits and licenses necessary to operate such facilities. Additionally, there can be no assurance that local demand in these markets will be sufficient to justify continued operations.

Effect of Product Innovation

Our growth may depend on our ability to develop and market new products and improvements to our existing products that appeal to consumer preferences. The success of our innovation and product development efforts is affected by our ability to anticipate changes in customer preferences, the technical capability of our research and development team in developing and testing product prototypes, including complying with applicable governmental regulations, the success of our management and sales and marketing team in introducing and marketing new products and positive acceptance by consumers. Failure to develop and successfully market and sell new products may inhibit our growth, sales and profitability.

Price of Raw Materials

Costs of the ingredients and packaging for our products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, customer demand and changes in governmental trade and agricultural programs. Volatility in the prices of raw materials and other supplies we purchase could increase our cost of sales and reduce our profitability. Moreover, we may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If we are not successful in managing our ingredient and packaging costs, and unable to increase our prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect our business, results of operations and financial condition.

Brand Promotion

A critical component of Martel Transportation Technology Inc.'s future growth is its ability to promote and sustain its brands, which it believes can be achieved by providing a high-quality user experience. In order to provide a high-quality user experience, Martel Transportation Technology Inc. has invested and will continue to invest substantial amounts of resources in the development of its products, infrastructure, fulfillment and customer service operations. If Martel Transportation Technology Inc.'s customers are dissatisfied with the quality of the products or services sold to them, the customer service they receive or their overall customer experience, Martel Transportation Technology Inc.'s customers may stop purchasing products and services from it.

Reputation Risk

Real or perceived quality, safety concerns or failures to comply with applicable vehicle regulations and requirements, whether or not ultimately based on fact and whether or not involving Martel Transportation Technology Inc. or incidents involving our competitors, could cause negative publicity and reduced confidence in Martel Transportation Technology Inc. and our products, which could cause harm to our brand, reputation and sales, and could materially adversely affect our business, financial condition and results of operations. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about us, our brand, or products on social or digital media could seriously damage our reputation. Without a favorable perception of our brand and products, our sales and profits could be negatively impacted.

Customer Preferences

Our business is focused on the development, manufacture, marketing and distribution of an electric powered single track robotic off-road power source and vehicle and related accessory products. Customer demand could change based on a number of possible factors, including substitute products or innovations in new power sources. If customer demand for our products decreases, our business and financial condition would suffer. Customer trends could change based on a number of possible factors, including economic factors and social trends. A significant shift in customer demand away from our products could reduce sales, which would harm our business and financial condition.

Government Incentives

The reduction or elimination of government and economic incentives in the U.S. and abroad, supporting the development and adoption of electric vehicles could have some impact on demand for our products. Electric vehicles benefit from certain government and economic incentives supporting the development and adoption of electric vehicles. In Canada, United States and abroad, such incentives include, among other things, tax credits or rebates that encourage the purchase of electric vehicles. Notably, the quantum of incentive programs promoting electric vehicles is a tiny fraction of the amount of incentives that are provided to gas-powered vehicles through the oil and gas industries. Nevertheless, *even* the limited benefits from such programs could be reduced, eliminated or exhausted. Although we believe this will have little impact on demand for our vehicles as we are a niche player, there may be a negative impact on demand for our future vehicles by certain purchasers.

Intellectual Property

The Issuer relies on both patented and unpatented proprietary expertise and know-how, and various trade secrets to develop and maintain its competitive position. The Issuer's success depends, to a significant degree, upon its ability to protect and preserve its intellectual property. Trade secrets are difficult to protect. Although we attempt to protect our trade secrets, our confidentiality provisions may not effectively prevent disclosure of our proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information. If we do not keep our trade secrets confidential, others may produce products with our recipes or formulations. Moreover, intellectual property disputes and proceedings may be protracted with no certainty of success, and an

adverse outcome could subject us to liabilities, force us to cease use of certain trademarks or other intellectual property or force us to enter into licenses with others. Any one of these occurrences may have a material adverse effect on our business, results of operations and financial condition.

Distribution/Supply Chain Interruption

Supply chain interruptions, including a manufacturing or inventory disruption, could impact product quality and availability. Martel Transportation Technology Inc. adheres to a comprehensive number of quality programs and proactively manages production and supply chains to mitigate any potential risk to customer safety or Martel transportation Technology Inc.'s reputation and profitability. Inherent to producing new products, with a variety of material inputs, there is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. Martel Transportation Technology Inc. monitors its supply chain trends and regularly reviews inventory levels.

Supply Chain Management

Insufficient or delayed supply of materials for manufacturing the Issuer's products threatens the Issuer's ability to meet customer demands while over capacity could threaten the Issuer's ability to generate profit. The Issuer believes manufacturing in Canada may help mitigate this risk partially, however, any failure by the Issuer to properly manage its supply chain could have a material adverse effect on the Issuer's business, financial condition, and results of operations. Additionally, over the medium term, if trade between the United States and Canada was delayed, restricted, or closed, specific raw materials or supplies may be insufficient or delayed. As a result, any potential border restriction, delays, or closures may threaten the Issuer's ability to meet customer demands and earn revenues or continue or develop relationships with clients or potential clients.

Litigation

Martel transportation Technology Inc. may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Martel Transportation Technology Inc.'s operations, and the value of their securities. While MTT will assess the merits of any lawsuits and defend such lawsuits accordingly, we may be required to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on our operations.

Cybersecurity

Cyber-attacks have the potential to impact Martel Transportation Technology Inc. both operationally and financially. Martel Transportation Technology Inc.'s information technology ("IT") are subject to an increasing threat of continually evolving cybersecurity risks including computer viruses, security breaches and cyberattacks. Additionally, Martel Transportation Technology Inc. is subject to the risk of unauthorized access to its IT systems or its information through fraud or other means.

INDUSTRY RISKS

Product Safety Recall

We are subject to risks that affect the transportation industry in general, including risks posed by product non-performance, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. We manage these risks by maintaining controls and processes in our production facility. A potential product recall could result in significant losses due to its costs, destruction of product inventory and lost sales due to the unavailability of the product or potential loss of current or new customers as a result of an adverse impact on our reputation. In addition, once purchased by consumers, we have no further control over our products and consumers may use our products in a manner that is inconsistent with our directions which may adversely affect the quality and safety of our products. Any product failure could subject us to product liability claims, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Any of these events could have a material adverse impact on our business, financial condition and results of operations.

Government Regulation

Our operations are subject to regulation by certain government agencies now or in the future. Our current and future manufacturing facility and products are subject to inspection by federal, provincial, and local authorities. We strive to maintain compliance with all laws and regulations and maintain all permits and licenses relating to our operations. Nevertheless, there can be no assurance that we are compliant with all such laws and regulations, have all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future. Failure by us to comply with applicable laws and regulations and permits and licenses could subject us to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial condition or results of operations.

General Economic Conditions

The financial success of the Issuer may be sensitive to adverse changes in general economic conditions in Canada, such as war, terrorist attacks, recession, inflation, labour disputes, demographic changes, weather or climate changes, unemployment and interest rates. There is no assurance that the Issuer will be successful in marketing any of its products, or that the revenues from the sale of such products will be significant. Consequently, the Issuer's revenues may vary by quarter, and the Issuer's operating results may experience fluctuations.

9.2 We do not currently have the financial resources to pay dividends or distributions to investors. There is a high level of confidence that we will have the necessary resources to do so within the time frame of these obligations.

Item 10: REPORTING OBLIGATIONS

10.1 The Company will be required to file a copy of this Offering Document and Form 45-106F1 as a Report of Exempt Distribution upon any closing under this offering.

Upon the earlier of the Company surpassing 50 security holders, excluding employees and former employees, or a closing under this offering, the Company will no longer qualify as a “private issuer” as such term is defined in National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”). At that time, the Company will be obligated to file a Form 45-106F1 Report of Exempt Distribution any time that it distributes securities pursuant to a prospectus exemption in the future.

Any filings as discussed above would be made to SEDAR (System for Electronic Document Analysis and Retrieval) www.sedar.com, the electronic filing system for the disclosure documents of issuers across Canada, or directly to the respective Provincial Securities Commission, dependent on the jurisdiction of the Company and the subscriber.

10.2 The Issuer is not a “reporting issuer” in any jurisdiction in Canada. As a corporation formed under the Act, the Issuer is required to provide shareholders with financial statements and any further information respecting to the financial position of the corporation and the results of its operations as may be required by the Act.

Item 11: RESALE RESTRICTIONS

11.1 The securities you are purchasing are subject to a resale restriction. You might never be able to resell the securities.

Item 12: PURCHASERS' RIGHTS

12.1 Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- i. to cancel your agreement with the Issuer to buy these securities, or
- ii. to damages against the Issuer and may, in certain jurisdictions, have the statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (i) or (ii) above, you must do so within strict time limitations.

Two-day cancellation right:

You may cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal not later than midnight on the second business day after you enter into the agreement. If there is an amendment to this offering document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal not later than midnight on the second business day after the funding portal provides you notice of the amendment.

Item 13: DATE AND CERTIFICATE

13.1 This Offering Document does not contain a misrepresentation.

13.2 Authorized Signatory:

Yvon Martel, CEO
Name/Title


Signature

1-Nov-2022

Date

13.3 I acknowledge that I am signing this Offering Document electronically and agree that this is the legal equivalent of my handwritten signature.