

FORM 45-517F1

START-UP BUSINESS OFFERING DOCUMENT

**Item 1: RISKS OF INVESTING**

*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.*

**Item 2: THE ISSUER**

**2.1 Information about the Issuer:**

Bridge Gap Renewables Inc. (the "Issuer" or the "Corporation")

102 331- 3rd Avenue

Strathmore, AB. T1P 1T5

Telephone: (403) 934-9696/ Fax: (403)934-9643 / Cel: (403)990-3306

Website <https://dcrombie7.wixsite.com/bgrgrids>

**2.2 Issuer contact person:**

David Crombie, Director and Chairman of the Issuer

102 331- 3rd Avenue

Strathmore, AB. T1P 1T5

Telephone: (403) 934-9696/ Fax: (403)934-9643 / Cel: (403)990-3306

Email: [dcrombie@tdainc.ca](mailto:dcrombie@tdainc.ca)

### Item 3: BUSINESS OVERVIEW

- 3.1** The Corporation was incorporated in Alberta on August 3, 2016, for the purpose of providing renewable energy devices through microgrids to alleviate the use of diesel generated power in First Nations and other remote communities and facilities, worldwide.

The funds from this offering will be used to build a demonstration microgrid at the CHTTC (Canadian Hydrokinetic Turbine Test Centre) on the Winnipeg River in Manitoba.

**A more detailed description of the issuer's business is provided below.**

### Item 4: MANAGEMENT

#### 4.1 Promoters, Directors, Officers and Control Persons of the Company

<b>Name, Residence and Position</b>	<b>Principal occupation for the last five years</b>	<b>Experience, education and experience that is related to the Issuer's business.</b>	<b>Number and type of securities of the Issuer owns.</b>	<b>Date securities were acquired and price paid for the securities.</b>	<b>Percentage of the Issuer's securities held as of the date of this offering document.</b>
David William Crombie, Calgary, Alberta  Chairman & CFO	Chairman Bridge Gap Konsult Inc.	Mr. Crombie is an accountant.  <a href="http://www.tdainc.ca">www.tdainc.ca</a>	34,000 Class A Common Shares	March 2018  \$0.001	34%
Eric Bibeau, Winnipeg, Manitoba  Vice President	Turtle Island Innovations	Mr. Bibeau heads the CHTTC  <a href="http://www.chttc.ca">www.chttc.ca</a>	33,000 Class A Common Shares	March 2018  \$0.001	33%
Karl Kolmsee , Feldafing, Germany  President	Smart Hydro	Dr. Kolmsee is President of Smart Hydro  <a href="http://www.smart-hydro.de">www.smart-hydro.de</a>	33,000 Class A Common Shares	March 2018  \$0.001	33%

#### ***4.2 Prior events related to Officers and Directors***

As at the date hereof, neither the issuer, nor any director or officer of the issuer has ever: (a) pled or been found guilty of:

- i. a summary conviction or indictable offence under the *Criminal Code* of Canada;
- ii. a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;
- iii. a misdemeanour 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;

been the subject of an order (cease trade or otherwise), judgment, decree, sanction or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court or administrative court of Canada or a foreign jurisdiction in the last ten years related to any involvement in any type of business, securities, insurance or banking activity;

been the subject of a bankruptcy or insolvency proceeding; or

been a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above.

#### **ITEM 5: START-UP BUSINESS DISTRIBUTION**

##### ***Dealers***

There are currently no dealers being used to conduct the distribution of the securities of Bridge Gap Renewables Inc. as part of this offering document.

##### ***5.2 Jurisdictions where funds may be raised***

Bridge Gap Renewables Inc. intends to raise funds from this offering only in the Province of Alberta.

An issuer can raise money using other prospectus exemptions concurrently with conducting a start-up business distribution. Other prospectus exemptions are found in NI 45-106. The funds raised under other prospectus exemptions can serve to reach the minimum offering amount stated in the offering document.

The issuer will disclose all distributions in any jurisdiction.

##### ***5.3 Minimum amount and deadline***

Closing of this offering is subject to Bridge Gap Renewables Inc. meeting the minimum offering amount. If the minimum offering amount is not raised within 90 days of the date of this offering document, all funds will be returned to the subscriber and no securities will be issued under this offering.

The minimum offering amount that must be raised in this offering is \$10,000. The offering is expected to close on or about November 30, 2108, or such other time as determined by Bridge Gap Renewables Inc., but in any event no later than 90 days from the date this Offering Document.

#### ***5.4 Type of securities offered***

The securities offered are Class A Preferred Shares (the "**Preferred Shares**") of Bridge Gap Renewables Inc.

#### ***5.5 Securities Rights***

The Preferred Shares provide the following rights:

- (a) to acquire Common Shares at a 30% discount to the issue price as part of an offering memorandum;
- (b) the right to participate in dividends prior to common shareholders; and
- (c) the right to participate in the distribution of the remaining assets of Bridge Gap Renewables Inc. on windup or dissolution.

It is Bridge Gap Renewables Inc.' intention to pay annual dividends to its shareholders. Bridge Gap Renewables Inc. will determine the actual timing, payment of dividends, if any, that may be paid from time to time based upon, among other things, the level of cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and other considerations. There can be no assurance that Bridge Gap Renewables Inc. will ever pay dividends as expected or at all. See "Forward-Looking Statements".

#### ***5.6 Restrictions***

Bridge Gap Renewables Inc. is not a "reporting issuer" in any jurisdiction, and the Preferred Shares are subject to an indefinite "hold period" under applicable securities laws. The Purchaser should be aware of the characteristics of the Preferred Shares, the risks relating to an investment therein and of the fact that it will not be able to resell the Preferred Shares except in accordance with limited exemptions under applicable securities legislation and regulatory policy until the expiration of the applicable hold period and compliance with the other requirements of applicable law.

**The certificates representing the Preferred Shares will bear a legend indicating that the resale of such securities is restricted.**

Bridge Gap Renewables Inc. will endeavor to assist purchasers who wish to sell their Preferred Shares in the future where practical and permitted under applicable laws.

#### ***5.7 Amount, Price, Minimum and Maximums***

	<b>Total Amount (\$)</b>	<b>Total number of Shares issuable</b>
Minimum offering amount	\$10,000	20,000
Maximum offering amount	\$250,000	5,000,000
Price per Share	\$0.50	

### *5.8 Minimum purchase*

Investors are required to purchase a minimum 1,000 Class “A” Preferred Shares, and must be purchased in increments of 100 Preferred Shares, up to a **maximum of 3000 Class “A” Preferred Shares per purchaser**.

***If a registered dealer provides positive suitability advice to an investor, the maximum amount of the subscription can be \$5,000.***

## **ITEM 6: ISSUER’S BUSINESS**

### *6.1 Description of the Company’s business*

Our effort is part of the larger agenda of the Canadian government, the provinces, and the CHTTC to reduce diesel power generation in remote communities and industries.

This funding initiative aims to help green energy pilot projects get launched, using a holistic approach including solar, wind, biomass, geo-thermal and river hydrokinetics.

This plan arises from a recognition that communities and industry often don’t have capital funding for these projects, but they may have funding in their operational budget to lease these projects.

So, we see this as an ideal opportunity for investors to gain a foothold in the green energy market by capitalizing on the expertise we have developed in identifying opportunities and technologies that can deliver results.

### **Kinetic Hydropower using the undiscovered energy of water**

Our first pilot project will be carried out using a hydrokinetic turbine developed by Smart Hydro Power.

Smart Hydro Power was founded in 2010 with the main idea to develop a hydrokinetic turbine, using only the flow of the river without the need for large infrastructure. Today Smart Hydro Power is developing micro-grids supplied by hybrid photovoltaic (PV)-hydro plants mainly off grids and in emerging markets.

### About Smart Hydro Power

Smart Hydro Power is a for profit corporate registered as Ltd. (GmbH) in Munich (Germany). It offers two proprietary product lines: hydrokinetic turbines and low voltage off grid distribution system. It is one of few suppliers of hydrokinetic turbines for rivers with more than 50 turbines employed. With its proprietary hybrid PV-hydro energy management system it offers a water-to-wire solution with special focus on load

management integrating other utilities like water treatment and satellite connection. Smart Hydro Power is active in India, Eastern Africa and Latin America.

Why kinetic hydropower?

Kinetic hydropower is using the flow of water only. Different from traditional hydropower using potential energy which requires dams, kinetic hydropower does not require any other infrastructure but an anchor point. This means it is environmental friendly or at least neutral. This is as well true for fish as no low pressure inserts them (which has been shown by third party laboratories).

Like traditional hydropower hydrokinetic is baseload generation – different from photovoltaic or wind. This makes it attractive for off grid projects which today are still expensive due to high battery costs and do have high opportunity costs as usually they replace diesel generators.

Hydrokinetic is relatively easy and inexpensively to employ. A typical hydrokinetic project by Smart Hydro Power requires one week of preparation and one week for installation. The planning and permitting phase is standardized and requires no more than three months – if at all as in most countries permitting is not required. This is not due to lack of bureaucracy but due to the technology which does not require water rights as the natural flow of water is not changed.

Smart hydrokinetic turbines weight 380 kg and can be easily transported even to the most remote places by boat or truck. Installation is done with local forces and – if necessary – a crane working on two traditional boats. Installation costs do rarely pass \$ 1,000 – less for projects with several turbines. There are some larger hydrokinetic turbines but – compared to traditional hydropower or any other generation plant – installation is still relatively easy.

### **Limits of hydrokinetic energy**

Many rivers are – during dry season – no deeper than 2 m (even Germany's main river Rhine is limited to 2 m close to the shore during dry season) or simply not very fast (< 1,5 m/s). There are globally few exceptions of rivers which are deeper than 2 m and faster than 1.5 m/s (mainly in North America like the Missouri (in selected spots)). In addition there are many rivers which are strongly seasonal with very low velocity in at least three months of the year – and this is not only true for tropical countries.

In natural flows energy harvest in most cases is physically limited to few kilowatts per turbine instead of megawatt. The same is true for canals which are often designed for either 3 to 4 m depth and max 1.5 m/s or 1 to 2 m depth and 2 to 3 m/s velocity (these limits are given by structural reasons like the durability of concrete walls).

Smart Hydro Power offers one standard generator size of 5 kW. There are two different frames, one with a diffuser as floating version for rivers and one which can be fixed at the bottom of canals. For the canal one called Smart Free Stream different diameters between 0.95 to 2.0 m are available which allow optimizing energy harvesting in accordance with depth and velocity.

While a single hydrokinetic plant is limited to 5 kW (or any different size for other suppliers) it might still mean distributed generation plants in rivers or canals can reach 50 to 500 kW. While this is possibly the limit of this technology in rivers or canals, some very large water regulation dams – as they exist in India – might allow larger MW-sized installations.

### **Hydrokinetic energy as complimentary Power Source**

Hydrokinetic is not the alternative energy, substituting the existing energy mix. But hydrokinetic turbines do have their own right as complementary source of renewable energy generation with as strong competitive advantage within well defined boundaries:

- In remote regions with high cost for infrastructure and high opportunity cost (rural electrification)
- In places with existing infrastructure like the tailrace of y hydropower plants, an irrigation canal or water regulation dams not yet used for energy generation
- On sites with high environmental regulations and limited power demand

Within these boundaries hydrokinetic turbines might even help developing new hydropower projects where – in regions like Bavaria – no new projects have been allowed in the past few years mainly for environmental reasons.

### **Project Examples**

Today Smart Hydro Power's main focus are projects for rural electrification. A typical project is the small Amazonian community Bellavista within the Peruvian district of Napo (Loreto). Bellavista is a village of 30 households approx. six hours from Iquitos by boat with no connection to the electricity grid and limited economic activity. Financed by a government initiative Smart Hydro Power installed in early 2016 a hybrid PV-hydrokinetic generation plant with two turbines and 3 kWp photovoltaic panels. In this region of the world PV does give 3 to 4 kWh per day and kWp installed – but only during 9 months of the year. The same is true for hydrokinetic which generates only 9 month a year – but during rainy season. The two technologies are complementary with respect to seasonality. The 4 kW distribution system (SMART EMS) serves a community house and the 30 households. The community house is equipped with a fridge, a water treatment system and an ice machine. In the near future an Internet Café shall be employed once remote monitoring via satellite is installed. This basic infrastructure is sufficient to start additional economic activities: the women of the town sell fresh, cold

juice to by-passing travelers, the community assembly plans to use excess electricity for a small workshop. Villagers pay for the electricity and do organize operations themselves which makes the project long term sustainable.

Two other exciting projects are in the USA and in Germany.

In the US a private corporate is going to install two turbines in a 2 km canal with 1.5 to 2 m/s velocity selling electricity to the grid.

In Germany the electricity cooperate of the small town of Neuwerth at the river Rhine is designing a turbine park with 10 turbines to serve the town with electricity. The electricity will be injected into the local 400 V low voltage grid and sold to private households and some small corporates. Permits are so far in place and installation is expected July 2017. Average velocity at this site is 1.8 m/s and expected generation costs are below 0.10 € / kWh.

### **Future of Hydrokinetics**

There are many regions like Bellavista where PV is limited and requires a complementary source of electricity which could be hydrokinetic given good hydrological resources (besides the Amazon this is true for most tropical countries with strong rain seasons).

A preliminary project analysis for India shows a huge potential for upgrading existing infrastructure like cooling canals of thermal plants, tailraces, irrigation canals and water regulation dams with hydrokinetic turbines. These projects do have a potential generation capacity from 20 kW to several MW.

Last but not least to use hydrokinetic within the leisure and outdoor market with a 300 W turbine which should not weight more than two crates of bottled water but serves the camper with enough electricity for the fridge and light.

## *6.2 Legal structure*

Bridge Gap Renewables Inc. was incorporated in the Province of Alberta under the *Business Corporations Act (Alberta)* on August 3, 2016.

## *6.3 Location of the Company's books and records*

Bridge Gap Renewables articles of incorporation, minute book and shareholders' agreement are located at Top Drawer Accounting, Suite 102, 331 3rd Ave., Strathmore, AB T1P1T5.

## *6.4 Company's current status*

The following statements best describe the Issuer's operations:

Has conducted operations through Smart Hydro and the CHTTC

## *6.5 Securities Currently Issued*

As of the date of this offering document, Bridge Gap Renewables Inc. has 100,000 Class A Common Shares issued and outstanding. No other securities of Bridge Gap Renewables Inc. are currently issued or outstanding.

## *6.6 Financial Statements*

**Bridge Gap Renewables Inc. has not prepared audited financial statements, as it has not yet commenced business operations.**

## **ITEM 7: USE OF FUNDS**

### *7.1 Funds previously raised*

Bridge Gap Renewables Inc. has not previously raised funds.

## ***7.2 Funds from this distribution***

Funds from this distribution will be used for the acquisition of the equipment required for the first pilot project.

The major items are as follows:

Description of intended use of funds listed in order of priority	Total amount (\$)	
	Assuming minimum offering amount	Assuming maximum offering amount
Legal & Accounting Fees	\$5,000	\$15,000
Turbine Purchase Smart Hydro	\$0	\$100,000
CHTTC Testing	\$0	\$50,000
Office Expenses	\$5,000	\$50,000
Travel Expenses	\$0	\$10,000
Contingency	\$0	\$25,000

There will be fees paid to the founders of the issuer at the rate of \$500 per day when they are actively working on the pilot project. We expect a major portion of these fees to be recoverable from the SRED (Scientific Research & Development) program and/or the CRCE (Canadian Renewable & Conservation Expenditure) program.

## **ITEM 8: PREVIOUS START-UP BUSINESS DISTRIBUTIONS**

### ***8.1 Previous distributions***

Neither Bridge Gap Renewables Inc., nor any related or affiliated corporation has conducted a start-up business distribution in the past five years.

No promoter, founder, director, officer or control person of Bridge Gap Renewables Inc. has been a promoter, founder, director, officer or control person of any issuer that has conducted a start-up business distribution in the past five years.

## **ITEM 9: COMPENSATION PAID TO DEALER**

No commissions, fees or other payments are expected to be paid, by Bridge Gap Renewables Inc. or otherwise, to any dealer in connection with this offering of Common Shares.

## **ITEM 10: RISK FACTORS**

An investment in Bridge Gap Renewables Inc. involves a number of risks. In addition to the other information contained in this Offering Document, investors should give careful consideration to the following risk factors and uncertainties, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Offering Document. Any of the matters highlighted in these risk factors and uncertainties could have a material adverse effect on Bridge Gap Renewables Inc. results of operations, business prospects or financial condition. The risk factors and uncertainties described below are not the only risks and uncertainties Bridge Gap Renewables Inc. faces. Additional risks and uncertainties not currently known to Bridge Gap Renewables Inc., its directors and officers or that are currently deemed immaterial also may impair Bridge Gap Renewables Inc. business operations.

### *Economic Environment*

The business of the Company is dependent upon numerous aspects of a healthy general economic environment.

### *Government Regulation*

The Company is subject to various federal, provincial and local laws affecting its business.

### *The Company's Dependence on Key Personnel*

The success of the Company depends upon the personal efforts of a small group of employees and senior management. Although Bridge Gap Renewables Inc. believes it will be able to replace its key employees within a reasonable time should the need arise, the loss of key personnel could have a material adverse effect on the Company's financial performance.

### *Uninsured and Underinsured Losses*

The Company uses its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to compensate the entire loss.

### *Cash Distributions*

Although the Company intends to distribute the income earned by the Company less expenses of the Company, there can be no assurance regarding the amounts of income to be generated by the Company. The actual amount distributed in respect of the Preferred Shares will depend upon numerous factors.

This document constitutes an offering of the securities described herein only in Alberta and is not, and under no circumstances is to be construed as a public offering, prospectus or an advertisement of securities. Subscribers shall not have the benefit of a review of the material by any regulatory authority.

There can be no assurance regarding the amount of proceeds that may be obtained under this offering of any future funding. If fewer shares of the Corporation are sold than expected, the Corporation shall have less capital available to pursue investigative measures and possible litigation matters.

The Corporation is newly incorporated with no previous operating history. The pursuit of successful outcomes is reliant on the good faith and expertise of the principals and management team of the Corporation. Investors shall be relying on their discretion and ability and continued involvement.

The Corporation is not a reporting issuer. Other than as described in Item 11 – Reporting Obligations, the Corporation does not have any continuous disclosure obligations.

The shares shall be subject to a number of resale restrictions, including a restriction on trading. Unless the Corporation becomes a reporting issuer, the shareholder shall not be able to trade or transfer the shares unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities laws. There is no market over which the shares may be traded and it is not expected that a market shall develop.

**We do not currently have the financial resources to pay [interest, dividends or distributions] to investors. There is no assurance that we will ever have the financial resources to do so.**

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing shares of the Corporation described herein. Potential subscribers should read this entire document and the accompanying subscription agreement carefully and consult with their legal and other professional advisors before determining to invest in securities of the Corporation.

#### **ITEM 11: REPORTING OBLIGATIONS**

Bridge Gap Renewables Inc. is not a "reporting issuer" under securities legislation of any jurisdiction. Accordingly, Bridge Gap Renewables Inc. is not subject to the continuous disclosure obligations of reporting issuers. Prior to each annual meeting (or annual and special meeting) of shareholders, Bridge Gap Renewables Inc. shall provide shareholders unaudited annual financial statements for Bridge Gap Renewables Inc. and other reports and information as Bridge Gap Renewables Inc. may determine.

Included with the financial statements of Bridge Gap Renewables Inc. will be a notice of Bridge Gap Renewables Inc. disclosing the use of the aggregate gross proceeds raised by Bridge Gap Renewables Inc. in accordance with Form 45-106F1 under National Instrument 45-106.

Bridge Gap Renewables Inc. will comply with all corporate reporting obligations, and will issue annually its Notice of Shareholders, Form of Proxy, Annual Financial Statements and any interim financial statements. Such information will be disseminated electronically by email to the shareholders.

#### **ITEM 12: RESALE RESTRICTIONS**

**The securities you are purchasing are subject to resale restrictions. They can only legally be resold to a very limited number of people. You may never be able to resell the securities.**

#### **ITEM 13: INVESTORS' RIGHTS**

***Two-day cancellation right*** – if you agree to make an investment, you have a short period in which to change your mind and cancel your agreement. To do so, you must send a notice to Bridge Gap Renewables Inc. within 48 hours of the later of (a) your subscription, and (b) an amended Offering Document being delivered to you.

***Right of action in the event of a misrepresentation*** – if there is a misrepresentation in the Offering Document, including all amendments to that document, you have a statutory right to sue (a) Bridge Gap Renewables Inc. to cancel your agreement or (b) Bridge Gap Renewables Inc., its directors, and each individual who has signed the Offering Document for damages.

This right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on these rights, you must do so within strict time limits. An action to cancel your agreement must be commenced no more than 180 days from the day of the transaction giving rise to the cause of action. An action for damages must be within the lesser of (a) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, and (b) 3 years from the day of the transaction giving rise to the cause of action.

#### **ITEM 14: DATE AND CERTIFICATE**

This offering document does not contain a statement that, in a material respect and at the time and in light of the circumstances in which it is made, is misleading or untrue and it does not fail to state a fact that is required to be stated or that is necessary to make a statement not misleading.

***Certification***

**This Offering Document is certified as follows:**

**Certified as of: By:**

**Title:**

**Signed:**

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