



Alkaline Fuel Cell Power Corp. (the “Company” or “AFCP”)

SUMMARY OF OFFERING

What are we offering?

Offering:	Offering of up to 20,000,000 units of the Company (the “Units”), with each Unit consisting of one common share in the capital of the Company (each, a “Unit Share”) and one common share purchase warrant (each, a “Warrant”) exercisable to acquire one common share (each, a “Warrant Share”) at a price of \$0.15 for a period of 24 months following the closing of the offering.
Offering Price:	\$0.06 per Unit (the “Issue Price”).
Offering Amount:	20,000,000 Units for gross proceeds of up to \$1,200,000 (the “Offering”).
Closing Date:	On or before January 13, 2023 closing in one or more tranches (the “Closing Date”).
Exchange:	The common shares in the capital of the Company (the “Common Shares”) are listed on the NEO Exchange (the “NEO”) under the trading symbol “PWWR” and on the OTCQB Venture Market (“OTCQB”) under the trading symbol “ALKFF”.
Last Closing Price:	The last closing price of the Common Shares on the NEO and on the OTCQB on December 15, 2022 was \$0.07, and US\$0.057, respectively.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

The Company is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – *Prospectus Exemptions*. In connection with this offering, the issuer represents the following is true:

- The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$10,000,000.
- The issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The issuer will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This offering document contains “forward-looking information” within the meaning of applicable Canadian securities laws, which is based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. The forward-looking information included in this offering document is made only as of the date of this offering document. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning future plans relating to the Company’s business and projects; the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; the completion of the Offering, and the expected Closing Date. Forward-looking statements or forward-looking information relate to future events and future performance and include statements regarding the expectations and beliefs of management based on information currently available to the Company. Such forward-looking statements and forward-looking information often, but not always, can be identified by the use of words such as “plans”, “expects”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements or forward-looking information are subject to a variety of risks and uncertainties, which could cause actual events or results to differ from those reflected in such forward-looking statements and forward-looking information, including, without limitation, risks with respect to: the Business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones; the Company’s future growth prospects and intentions to pursue one or more viable Business opportunities; expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations; expectations with respect to economic, business, regulatory and/or competitive factors related to the Company or the renewable energy industry generally; the impact of COVID-19 on the Company’s current and future operations; the market for the Company’s current and proposed product offerings, as well as the Company’s ability to capture market share; the Company’s strategic investments and capital expenditures, and related benefits; the distribution methods expected to be used by the Company to deliver its product offerings; the competitive landscape within which the Company operates and the Company’s market share or reach; the performance of the Company and the operations and activities of the Company; the Company’s ability to generate cash flow from operations and from financing activities; the Company’s ability to obtain, maintain, and renew or extend, applicable authorizations, including the timing and impact of the receipt thereof; the Company’s intention to devote resources to the protection of its intellectual property rights, including by seeking and obtaining registered protections including patents for its intellectual property; the ability of Fuel Cell Power s.r.o. to develop prototypes, deliver catalyst material for the electrodes and facilitate research and development contracts with external partners; the Company’s intention to enter into partnerships with universities, research institutes and commercial partners, and its potential eligibility under the European green deal initiatives; the outcomes of such partnerships; the Company’s ability to complete the electrode, stack and system production process and validate it for large scale manufacturing; and whether hydrogen power alkaline fuel cell technology, once developed, will offer both environmental and economic benefits. This list is not exhaustive of the factors that may affect any of the Company’s forward-looking statements or forward-looking information. Forward-looking information includes statements about the future and are inherently uncertain, and the Company’s actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this Company’s annual information form and other filings available at www.sedar.com.

The Company provides no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in

such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

The Company is in the business of the design, development, production and commercialization of micro combined heat and power and generator systems based on alkaline fuel cell technology for residential, industrial and commercial markets worldwide, in addition to the development, ownership and operations of conventional combined heat and power systems for multi-residential, industrial and commercial markets in Canada.

The Company operates through two global entities: Fuel Cell Power NV, a wholly owned subsidiary in Belgium and PWWR Flow Streams ("**PWWR Flow**"), an AFCP brand in Canada.

- Fuel Cell Power NV is focused on the development, production and commercialization of micro-combined heat and power ("**micro-CHP**") systems and off-grid and back-up power generators based on advanced alkaline fuel cell technology that generates zero CO₂ emissions. Fuel Cell Power NV is working through milestones to deliver a commercialized alkaline fuel cell in 2024.
- PWWR Flow is focused on the development, ownership and operations of combined heat and power ("**CHP**") assets. PWWR Flow assets deliver efficiency improvements of over 20% with reduced costs to customers in multi-residential and commercial applications. PWWR Flow has contracted existing CHP assets in Toronto, Canada, and has an additional pipeline of potential contracts valued at over \$50 million currently in development.

The Company's wholly owned subsidiary in the Czech Republic, Fuel Cell Power s.r.o role is to assist in the development of the prototypes, deliver catalyst material for the electrodes and facilitate research and development contracts with external partners. .

Recent developments

On November 18, 2022 the Company announced that it had closed a convertible note (the "**Convertible Note**") financing in an aggregate amount C\$4,000,000 (the "**Convertible Note Financing**"). The Convertible Notes allow the Company to access up to C\$4,000,000 on an aggregate basis and can be drawn on at the request of the Company. The Convertible Notes will mature November 18, 2025 (the "**Maturity Date**"). Outstanding amounts under the Convertible Notes will be convertible at the option of the holders (the "**Holders**") into Common Shares at a conversion price of \$0.10 per Common Share, at any time prior to the Maturity Date, subject to the terms of the Convertible Note. The Convertible Notes bear an interest of 10% compounded monthly which will be applied to all outstanding amounts drawn under the Convertible Notes. In consideration for entering into the Convertible Note Financing, the Company issued an aggregate amount of 20,000,000 Common Share purchase warrants to the Holders. Each such warrant will entitle the Holders thereof to acquire one Common Share at a price of \$0.15 for a period of 36 months.

On November 22, 2022, the Company announced that it had entered into a non-binding letter of intent (the "**LOI**") with AmmPower Corp. ("**AmmPower**"). The LOI relates to the Company's and AmmPower's intention to form a joint venture for the development of a pilot project testing of the Company's off-grid fuel cell generator.

On November 29, 2022, the Company announced that it had achieved a significant milestone in the development of its alkaline fuel cell system and will announce the results of the achievement at an event on January 11, 2023 in Geel, Belgium.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use the aggregate gross proceeds from the Offering for acquisition capital, development capital for PWWR Flow CHP projects and manufacturing capital for its wholly owned subsidiary Fuel Cell Power NV, as well as for general administrative and working capital expenses. With the anticipated minimum funding, the Company's priorities are:

- Enhancing general administrative and working capital expenses
- Development capital and equity for PWWR Flow projects
- Development and manufacturing capital for Fuel Cell Power NV
- Bolstering acquisition capital

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

Based on the Company's existing working capital deficiency of \$496,700, the expected availability of funds is \$(68,960) in the case of the base offering, and \$961,040 in the case of the maximum offering.

		Assuming minimum offering only	Assuming maximum offering
A	Amount to be raised by this offering	\$150,000	\$1,200,000
B	Selling commissions and fees	-	-
C	Estimated offering costs (e.g., legal, accounting, audit)	\$35,000	\$55,000
D	Net proceeds of offering: $D = A - (B+C)$	\$115,000	\$1,145,000
E	Working capital as at November 30, 2022 (deficiency)	\$(183,960)	\$(183,960)
F	Additional sources of funding	-	-
G	Total available funds: $G = D+E+F$	\$(68,960)	\$961,040

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming minimum offering only	Assuming 100% of offering
Development Capital and Equity for PWWR Flow projects	\$30,000	\$250,000
General and Administrative, Acquisition and Working Capital	\$30,000	\$300,000
Development and Manufacturing Capital for Fuel Cell Power NV	\$55,000	\$595,000
Total	\$115,000	\$1,145,000

The above noted allocation of capital and anticipated timing represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. See the "Cautionary Statement Regarding Forward-Looking Information" section above.

How have we used the other funds we have raised in the past 12 months?

Use of Funds Listed	Convertible Note Financing ¹
Net Funds Raised	\$4,000,000
Work Programs	-
Project Expenditures	-
G&A Expenses	-
Working Capital	-
Total	-

Notes:

1. The Company has not, as of the date hereof, drawn any amounts under the Convertible Notes.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

No finder's have been engaged at this time, however, if finders (each, a "**Finder**") are engaged for the sale of the Units under the Offering, the finder's shall receive up to 8% in cash and 8% in common share purchase warrants, with each warrant exercisable for a period of 24 months following the closing of the Offering, at a price of \$0.15, for all purchasers of Units who are introduced to the Company by the Finder.

Do(es) the dealer(s) have a conflict of interest?

N/A.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with the Company, or**
- (b) to damages against the Company and may, in certain jurisdictions, have a 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 (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access the Company's continuous disclosure filings on SEDAR at www.sedar.com under the Company's profile.

For further information regarding the Company, visit our website at: <https://www.fuelcellpower.com/>.

Please refer to Appendix "A" – "Acknowledgements, Covenants, Representations and Warranties of the Investor" and Appendix "B" – "Indirect Collection of Personal Information" attached hereto.

Investors should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of Units.

CERTIFICATE OF THE COMPANY

This offering document, together with any document filed under Canadian securities legislation on or after December 16, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

December 16, 2022

By: s/ "Frank Carnevale"

Name: Frank Carnevale

Title: Chief Executive Officer

By: s/ "Joel Dumaresq"

Name: Joel Dumaresq

Title: Chief Financial Officer

APPENDIX A

ACKNOWLEDGEMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

Each purchaser of the Units (the “**Investor**”) makes, and is deemed to make, the following acknowledgements, covenants, representations and warranties to the Company, as at the date hereof, and as of the Closing Date:

- a) the Investor confirms that it (i) has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Units (including the potential loss of his, her or its entire investment); (ii) is aware of the characteristics of the Units (and the underlying securities) and understands the risks relating to an investment therein; and

(iii) is able to bear the economic risk of loss of its investment in the Units and understands that it may lose its entire investment in the Units;
- b) the Investor is resident in the jurisdiction disclosed to the Company and the Investor was solicited to purchase in such jurisdiction;
- c) the subscription for the Units by the Investor does not contravene any of the applicable securities legislation in the jurisdiction in which the Investor resides and does not give rise to any obligation of the Company to: (i) prepare and file a prospectus or similar document or to register the Units (or underlying securities) or to be registered with or to file any report or notice with any governmental or regulatory authority; or (ii) be subject to any ongoing disclosure requirements under the securities legislation of such jurisdiction;
- d) the Investor (i) is not in the United States, its territories or possessions, any State of the United States or the District of Columbia (collectively, the “**United States**”), (ii) was outside of the United States at the time the buy order for the Units was originated, (iii) is not subscribing for the Units for the account of a person in the United States, (iv) is not subscribing for the Units for resale in the United States, and (v) was not offered the Units in the United States;
- e) the Investor is aware that the Unit Shares and Warrants 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 that the Unit Shares and Warrants may not be offered, sold or otherwise disposed of, directly or indirectly, in the United States, any state or territory of the United States or the District of Columbia, without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an exemption from such registration and it acknowledges that the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the sale or resale of the Unit Shares and Warrants;
- f) the funds representing the aggregate subscription funds which will be advanced by the Investor to the Company hereunder, as applicable, will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the “**PCMLTFA**”) or for the purposes of the United States *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act*, as may be amended from time to time (the “**PATRIOT Act**”) and the Investor acknowledges that the Company may in the future be required by law to disclose the Investor’s name and other information relating to the Investor’s subscription of the Units, on a confidential basis, pursuant to the PCMLTFA and the PATRIOT Act, and that, to the best of its knowledge: (i) none of the subscription funds to be provided by the Investor (A) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States or any other

jurisdiction; or (B) are being tendered on behalf of a person who has not been identified to the Investor; and (ii) it will promptly notify the Company if the Investor discovers that any of such representations ceases to be true, and to provide the Company with appropriate information in connection therewith;

- g) neither the Company nor any of its respective directors, employees, officers, affiliates or agents has made any written or oral representations to the Investor: (i) that any person will resell or repurchase the Unit Shares or Warrants comprising the Units; (ii) that any person will refund all or any part of the subscription amount; or (iii) as to the future price or value of the Unit Shares or Warrants comprising the Units;
- h) the Investor is not purchasing the Units with knowledge of any material information concerning the Company that has not been generally disclosed. The Investor's Units are not being purchased by the Investor as a result of, nor does the Investor, if any, have knowledge of, any material fact (as defined in securities laws, regulations and rules, and the blanket rulings and policies and written interpretations of, and multilateral or national instruments adopted by, the securities regulatory authorities in the jurisdiction in which the Investor is resident or subject to (the "**Securities Laws**")) or material change (as defined in Securities Laws) concerning the Company that has not been generally disclosed and the decision of the Investor, to tender this offer and acquire the Investor's Units has not been made as a result of any oral or written representation as to fact or otherwise made by, or on behalf of, the Company or any other person and is based entirely upon the offering document;
- i) if required by applicable Securities Laws or the Company, the Investor will execute, deliver and file or assist the Company in filing such reports, undertakings and other documents with respect to the issue and/or sale of the Units as may be required by any securities commission, stock exchange or other regulatory authority;
- j) the Company is relying on an exemption from the requirement to provide the Investor with a prospectus under the Securities Laws and, as a consequence of acquiring the Units pursuant to such exemption, the Investor may not receive information that would otherwise be required to be given under the Securities Laws;
- k) if the Investor is:
 - i. a corporation, the Investor is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to subscribe for the Units pursuant to the terms set out in this offering document;
 - ii. a partnership, syndicate or other form of unincorporated organization, the Investor has the necessary legal capacity and authority to subscribe for the Units pursuant to the terms set out in this offering document and has obtained all necessary approvals in respect thereof; or
 - iii. an individual, the Investor is of the full age of majority and is legally competent to subscribe for the Units pursuant to the terms set out in this offering document;
- l) the Investor is responsible for obtaining such legal and tax advice as it considers appropriate in connection with the performance of this offering document and the transactions contemplated under this offering document, and that the Investor is not relying on legal or tax advice provided by the Company or its counsel;
- m) the subscription for the Units and the completion of the transactions described herein by the Investor will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would

constitute a material default under any term or provision of the constating documents, bylaws or resolutions of the Investor if the Investor is not an individual, the Securities Laws or any other laws applicable to the Investor, any agreement to which the Investor is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Investor;

- n) the Investor has obtained all necessary consents and authorities to enable it to agree to subscribe for the Units pursuant to the terms set out in this offering document and the Investor has otherwise observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in any territory in connection with the purchase of the Units and the Investor has not taken any action which will or may result in the Company acting in breach of any regulatory or legal requirements of any territory in connection with the Offering or the Investor's subscription;
- o) the Investor is purchasing the Units for investment purposes only and not with a view to resale or distribution; and
- p) the Investor acknowledges that certain fees and commissions may be payable by the Company in connection with the Offering.

APPENDIX B

**INDIRECT COLLECTION OF PERSONAL
INFORMATION**

By purchasing Units, the Investor acknowledges that the Company and its respective agents and advisers may each collect, use and disclose the Investor's name and other specified personally identifiable information (including his, her or its name, jurisdiction of residence, address, telephone number, email address and aggregate value of the Units that it has purchased) (the "**Information**"), for purposes of (i) meeting legal, regulatory, stock exchange and audit requirements and as otherwise permitted or required by law or regulation, and (ii) issuing ownership statements issued under a direct registration system or other electronic book-entry system, or certificates that may be issued, as applicable, representing the Unit Shares and Warrants (underlying the Units) to be issued to the Investor. The Information may also be disclosed by the Company to: (i) stock exchanges, (ii) revenue or taxing authorities and (iii) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering. The Investor is deemed to be consenting to the disclosure of the Information.

By purchasing Units the Investor acknowledges (A) that Information concerning the Investor will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the Investor consents to the disclosure of the Information; (B) the Information is being collected indirectly by the applicable Canadian securities regulatory authorities under the authority granted to them in securities legislation; and (C) the Information is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation; and by purchasing the Units, the Investor shall be deemed to have authorized such indirect collection of personal information by the relevant Canadian securities regulatory authorities.

The Investor may contact the following public official in the applicable province with respect to questions about the commission's indirect collection of such Information at the following address, telephone number and email address (if any):

Alberta Securities

Commission Suite 600,

250 – 5th Street SW

Calgary, Alberta T2P 0R4

Telephone: 403-297-6454

Toll free in Canada: 1-877-355-

0585 Facsimile: 403-297-2082

Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific

Centre 701 West Georgia

Street

Vancouver, British Columbia

V7Y 1L2 Inquiries: 604-899-

6854

Toll free in Canada: 1-800-373-

6393 Facsimile: 604-899-6581

Email: FOI-privacy@bcsc.bc.ca

Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission

500 – 400 St. Mary
Avenue Winnipeg,
Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba: 1-800-655-
5244 Facsimile: 204-945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L
2J2 Telephone: 506-658-3060
Toll free in Canada: 1-866-933-
2222 Facsimile: 506-658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy
Officer

**Government of Newfoundland and
Labrador Financial Services Regulation
Division**

P.O. Box 8700
Confederation
Building 2nd
Floor, West Block
Prince Philip
Drive
St. John's, Newfoundland and Labrador A1B
4J6 Attention: Director of Securities
Telephone: 709-729-4189
Facsimile: 709-729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission

Suite 400, 5251 Duke
Street Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J
2P8 Telephone: 902-424-
7768
Facsimile: 902-424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities

Commission 20 Queen
Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593-8314
Toll free in Canada: 1-877-785-
1555 Facsimile: 416-593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000

Charlottetown, Prince Edward Island C1A

7N8 Telephone: 902-368-4569

Facsimile: 902-368-5283

Public official contact regarding indirect collection of information: Superintendent of Securities

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan

Drive Regina, Saskatchewan

S4P 4H2 Telephone: 306-787-

5842

Facsimile: 306-787-5899

Public official contact regarding indirect collection of information: Director