

**Form 62-103F3**  
**REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL INVESTOR**  
**UNDER PART 4**

**Item 1 – Security and Reporting Issuer**

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares ("**Common Shares**") of EnerDynamic Hybrid Technologies Corp. (the "**Issuer**"), 1110 Hansler Road, Welland, Ontario, L3C 7M5.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

**Item 2 – Identity of the Eligible Institutional Investor**

2.1 State the name and address of the eligible institutional investor.

Trapeze Capital Corp. ("**TCC**"), 22 St. Clair Avenue East, 18th Floor, Toronto, Ontario, M4T 2S3

Trapeze Asset Management Inc. ("**TAMI**"), 22 St. Clair Avenue East, 18th Floor, Toronto, Ontario, M4T 2S3

TCC, TAMI, and their affiliates are together, the "**Investor**".

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The requirement to file this report is triggered by the acquisition of an aggregate of 59,424,544 Common Shares (assuming the exercise of Common Share purchase warrants ("**Warrants**") into 22,282,272 Common Shares and the conversion of the Convertible Debenture (as defined below) into 14,860,000 Common Shares) by accounts fully managed by TCC and TAMI in their capacity as portfolio manager (the "**Managed Accounts**").

On April 26, 2018, the Issuer and the Investor, on behalf of the Managed Accounts, completed debt settlements (the "**Debt Settlement**") pursuant to agreements under which the Issuer settled a debt to the Managed Accounts (represented by 25% of the principal balance of the debentures due on July 3, 2017 (the "**2017 Debenture**") plus all accrued but unpaid interest and bonus penalty on the aggregate principal amount thereunder) through the issuance of an aggregate of 22,282,272 units of EHT (each a "**Unit**" and collectively, "**Units**") at a deemed price per unit of \$0.10. Each Unit consists of one (1) Common Share and one (1) Warrant. Each whole Warrant shall entitle the holder thereof to acquire one (1) Common Share at a price of Fifteen Cents (\$0.15) per Common Share prior to April 10, 2021.

The Managed Accounts also exchanged the 2017 Debenture for a new convertible debenture with maturity date of July 31, 2018 in an aggregate principal amount of \$2,229,000 (the "**Convertible Debenture**"), such principal amount being 75% of the aggregate principal amount of the 2017 Debenture held by such Managed Accounts. The Convertible Debenture is convertible into Common Shares at a price of \$0.15 per Common Share.

2.3 State the name of any joint actors.

None.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

The Investor is eligible to file reports under Part 4 in respect of the Issuer.

### Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.

All information in this report is as at April 30, 2018.

This is the initial report filed by the Investor under Part 4 of NI 62-103 in respect of the Issuer.

3.2 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.

The Investor beneficially owns or exercises control or direction over:

- (i) 23,498,672 Common Shares;
- (ii) 22,332,272 Warrants exercisable into 22,332,272 Common Shares; and
- (iii) \$2,229,000 principal amount of Convertible Debentures convertible into 14,860,000 Common Shares.

The Investor beneficially owns or exercises control or direction over an aggregate of 60,690,944 Common Shares on a partially diluted basis (i.e., assuming the exercise by the Investor of the Warrants into Common Shares and the conversion of the Convertible Debenture into Common Shares, but assuming no such other securities are exercised by other holders thereof), representing approximately 25.4% of the Issuer's then issued and outstanding Common Shares. As at April 30, 2018, the Issuer's issued and outstanding Common Shares was 201,854,405.

3.3 If the transaction involved a securities lending arrangement, state that fact.

N/A

3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which

(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control:

None

(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor:

None

(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

The Investor exercises control or direction over all of the securities in Item 3.2, through securities held by accounts fully managed by TCC and TAMI in their capacity as portfolio manager.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

N/A

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the

number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

N/A

3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

N/A

#### **Item 4 – Purpose of the Transaction**

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;

The securities described herein are being held for investment purposes. Depending on market conditions and other relevant factors, the Investor intends to decrease its ownership, control or direction over the Common Shares through market transactions, private agreements or otherwise.

(b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries; N/A

(c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board; N/A

(d) a material change in the present capitalization or dividend policy of the reporting issuer; N/A

(e) a material change in the reporting issuer's business or corporate structure; N/A

(f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person; N/A

(g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace; N/A

(h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada; N/A

(i) a solicitation of proxies from securityholders; N/A

(j) an action similar to any of those enumerated above. N/A

#### **Item 5 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities

except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

N/A

#### **Item 6 – Change in Material Fact**

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

#### **Item 7 – Certification**

The eligible institutional investor must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

#### **Certificate**

The certificate must state the following:

I, as the eligible institutional investor, certify, or I, as the agent filing the report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

May 10, 2018

Date

#### **TRAPEZE CAPITAL CORP.**

Per: "Randall Abramson"

Randall Abramson  
Chief Executive Officer

#### **TRAPEZE ASSET MANAGEMENT INC.**

Per: "Randall Abramson"

Randall Abramson  
Chief Executive Officer