

FLUR<sup>OT</sup>TECH

(“TEST” TSX-V)

Ultra Sensitive Cannabis  
Testing

## Disclaimer: Forward-Looking Information

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# Presentation Outline

- I. Introducing: **CompleTest™** (Slides 4-6)
- II. *Corporate Information* (Slide 7)
- III. **FluroTech** At A Glance (Slide 8)
- IV. Advantages of In-House Testing & Bio-marking (Slides 9-10)
- V. **FluroTech**'s competitive positioning (Slide 11)
- VI. Revenue streams & Market Opportunity (Slides 12-14)
- VII. Why Invest? (Slide 15)
- VIII. Near-term Catalysts (Slide 16)
- IX. Leadership Team (Slides 16-18)

# CompleTest™ and Test Kits

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- ▶ *CompleTest™* is a small device used to test for heavy metals, banned pesticides and potency of marijuana.
- ▶ Test results are communicated to a tablet via Bluetooth.
- ▶ Inside the *CompleTest™* hardware are Modules that measure and collect data that are analyzed and used for calculations by the software on the tablet.
- ▶ Data can be downloaded to a spreadsheet for automatic record keeping and sent to Health Canada.
- ▶ Different Testing Kits will be required for each type of test – THC & CBD, Heavy Metals, Pesticides, Myclobutanil etc.



# CompleTest™ & Test Kits advantages

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- ▶ **Portable** – Can be easily moved to any plant and batch that needs testing.
- ▶ **Accurate** – Capable of measurement in Parts Per Billion (PPB).
- ▶ **Ease of use** – After a 15 minute tutorial on a tablet, anyone can test with no subjective interpretation required.
- ▶ **Consistent results** – Consistency and repeatability is an issue with current testing solutions.
- ▶ **Cost effective** – Single use test kits average \$60 each.
- ▶ **Fast** – Test results in 15 minutes or less.

- ▶ CompleTest™ is currently working to determine optimal extraction time. The extraction process is common for all high quality testing methods.
- ▶ CompleTest™ allows testing while the plant is growing

CompleTest™  
and Test Kit  
solutions work  
fast, inexpensive  
and user friendly

### 1. Conversion



User extracts a small portion of dried, ground cannabis bud, converting to a solution form

Place the mixtures inside of CompleTest™ for qualification. (approx. 60 seconds)

### 3. Testing



### 2. Mixing



Mix the sample with the Test Kit reagent solution.

Test results are sent immediately via Bluetooth from CompleTest™ to your tablet or mobile device.

### 4. Results



# Corporate Information

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SYMBOL:	TEST.V
Closing Price (October 26, 2018):	\$0.47/share
Market Cap (October 26, 2018):	\$23.7 Million
IPO Open Price:	\$0.45/share
<b>Shares Outstanding:</b>	<b>50,456,587</b>
Shares Escrowed:	16,429,845
Shares Free-trade:	34,026,742
Options & Warrants (majority at \$0.70, expiry Feb, 2020):	22,021,623
<b>Fully Diluted Shares Outstanding:</b>	<b>72,177,984</b>
Working Capital (June 30, 2018):	\$6.5 Million
Insider Ownership:	36% (Basic), 32% (f.d.)

# FluroTech: At a Glance

CompleTest™ is the flagship brand of FluroTech, and has been designed for cultivators, dispensaries and anyone with a vested interest in consumer safety and optimizing potency yield of Cannabis.

## Cannabis Testing Opportunity

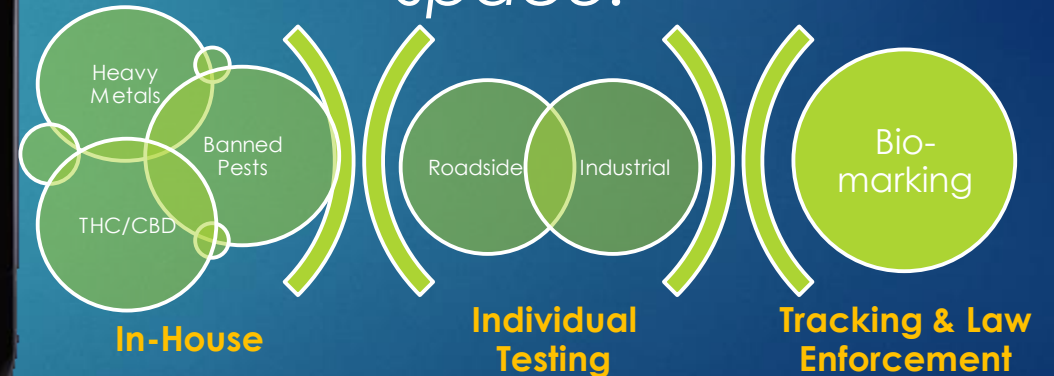
Canada: ~\$300 million

USA: ~\$750 million

International: ~\$2.75 billion



Introducing a **PORTABLE, FAST, ACCURATE** and **COST-EFFECTIVE** in-house testing device for the international cannabis space.





# Advantages of In-House Testing

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"This is a tool **CompleTest™** that no modern medical cannabis cultivator can go without. It takes all the guess work out of crop production," - Dr. MacMillan, Director of Scientific Research and Business Development.

## Advantages:

- ▶ The ability to see results in **minutes** rather than days/weeks communicates better information to manage the risk of contaminants and to increase yield
- ▶ **Early Contaminant detection in the Grow Cycle** allows for purging of a grow room, returning it back to production expeditiously.
- ▶ **Crop optimization:** Employing testing to maximize THC/CBD potency by determining optimal harvest time and grow techniques.
  - ▶ A recent test by a growers that used the **CompleTest™** device identified a 50% increase in potency by using different lights
- ▶ Identification of contaminants in various cannabis supplies prior to an extraction process **eliminates the loss of product, post-extraction.**

# Advantages of Bio-marking

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- ▶ Assists in the suppression of Black Market sales by tracking the plant and extracts, not the package.
- ▶ **Increases Governments' Tax Revenue** and provides a solution for Law Enforcement and Customs in determination of origin and legal compliance.
- ▶ Provides assurance to LP's that their product is exactly the same as is sold at dispensers, not counterfeit material.

# Current testing equipment options – Mass Spec and HPLC

## Mass Spectrometry

- ▶ Desk sized device that analyzes many molecules at once. Outsourced to certified labs.
- ▶ Capital costs of \$1M+; labour – requires highly educated and trained personnel.
- ▶ Time – it takes 2+ hours to complete one test; 3 – 14 days turnaround time.
- ▶ Results – there is a degree of interpretation required which can greatly vary test results.

## High Performance Liquid Chromatography

- ▶ Desk sized device that analyzes many molecules at once. Typically outsourced to certified labs.
- ▶ Capital costs of \$250K; labour – requires highly educated and trained personnel.
- ▶ Time – it takes 1 – 2 hours to complete one test; 10 – 14 days turnaround time.



Current “Gold Standard technology has significant “Cross Lab Variability “ results.

**CompleTest™ is the cost effective, portable, solution that provides consistent results in minutes**

# Future Revenue Streams

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Heavy  
Metals

Banned  
Pesticides

THC/CBD

Myclobutanil

Roadside  
Testing

Industrial  
Testing

Bio Marking

# 3 Revenue Categories

1. 1 **CompleTest™ Unit**

- ▶ \$15,000 - \$25,000/unit; 2-3x margins

Initial Purchase 1 Unit      \$20,000

2. 3 **CompleTest™ Scopes** (Heavy Metals, Banned Pesticides, THC/CBD)

- ▶ \$3,500-\$7,500/unit; 4-5x margins

2 Cartridges 1st Year/unit      \$10,000

3. 1 **CompleTest™ Test Kit** for each cartridge

- ▶ \$60-\$75/test kit; 15-25x margins

30-50 Test kits/month/unit      \$20,000

Forecasted first year (2019) revenue per unit      \$50,000

Forecasted recurring annual revenue per unit per year      \$20,000

# Market Scope

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- ▶ Step 1: Q4 2018 to Q2 2019 Canada 300 LPs (\$6 Billion +)
- ▶ Step 2: Q2 2019 to Q4 2019 USA 100,000 growers (\$55 Billion)
- ▶ Step 3: 2025 Worldwide (\$146.4 + Billion)
- ▶ X-Factors : Roadside Testing, Industrial Testing and Bio Marking
- ▶ *CompleTest™ will be a front runner for saliva based device for roadside testing*

The estimated value of the testing market is 5% of all Cannabis Sales

# Why Invest?

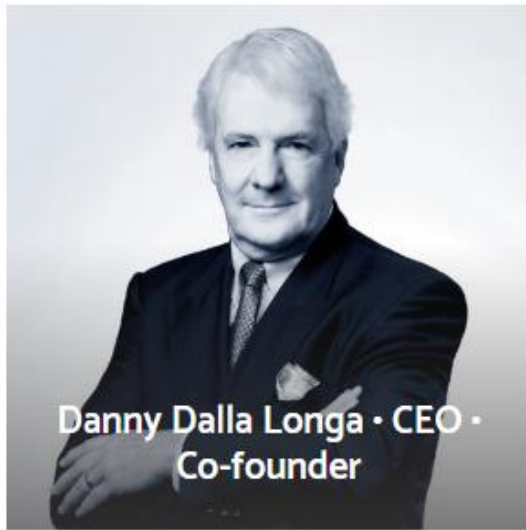
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- ▶ **CompleTest™** is disrupting the Cannabis sector, which is moving towards rigorous in-house testing requirements
- ▶ Minimal competition; no true comparables
- ▶ Increases public safety and quality control
- ▶ Maximizes profits for LPs through crop optimization and early threat detection & removal
- ▶ High margin business utilizing the “razor blade” model
- ▶ Saliva-based (roadside and industrial testing friendly)
- ▶ Bio-marking enabled, to be able to track the plant from “seed to sale”
- ▶ A hedge against marijuana over-supply risk

# Near-term Catalysts

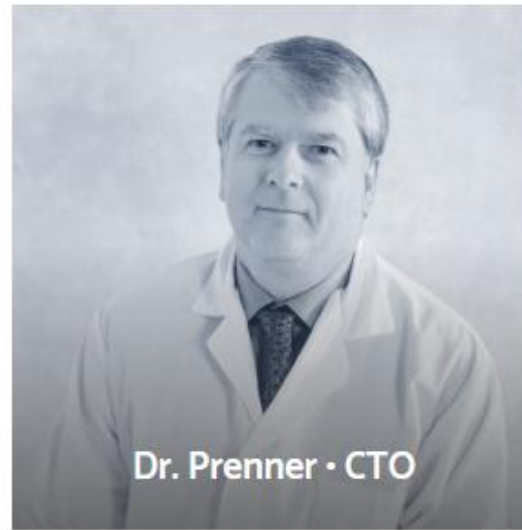
CATALYSTS	TIMEFRAME
Application submitted to the Dept. of Justice Canada for a Roadside testing device	Early November 2018
Completion of Beta tests with 5 LP's	November 2018
Completion of the first production run of 50 <b>CompleTest™</b> devices. - Initial Sales Commence in Western Canada	Late November 2018
Further development of scopes and testing kits for pesticides, myclobutanil and other attributes	Ongoing – Additional test capability every 3 months
Continued progress on the Biomarking initiative to track the cannabis plant from seed to sale	Ongoing – Launch Q1 2019
Second production run of 200 <b>CompleTest™</b> devices. - Sales commence in Ontario and Quebec	Q1 2019
Sales and distribution expansion into other Legal Jurisdictions, worldwide.	Q2/2019





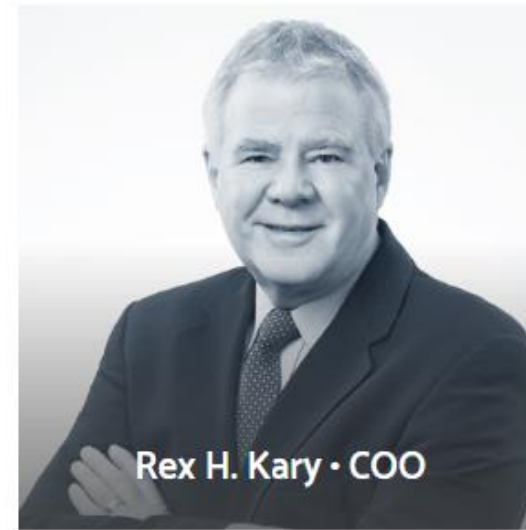
**Danny Dalla Longa · CEO ·  
Co-founder**

Danny brings over 35 years of corporate finance & valuation experience. He was a partner at a major international accounting firm for over 18 years. He also served as an MLA, as the energy critic in the Alberta Legislature. Dalla-Longa holds a B.Comm. degree in Chartered Business Valuation, is a Certified Business Appraiser and has a Chartered Accountant designation.



**Dr. Prenner · CTO**

As Founder and CTO of Flurotech, Dr. Prenner brings over 28 years of expertise in fluorescence spectroscopy. He holds two US patents on antimicrobial peptides and optic filters and has contributed to over 70 peer reviewed publications. He also works as a Professor at the University of Calgary, within the department of Biological Sciences.



**Rex H. Kary · COO**

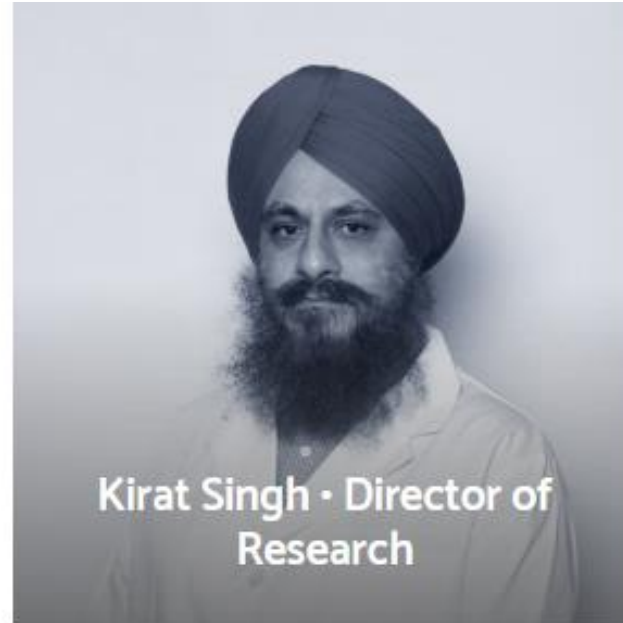
Rex brings to this venture 38 years of marketing and finance experience with early stage companies. Often his responsibilities included the negotiation and implementation of multi-jurisdictional transactions with long term agreements for the purchase and sale of company's current and future production.

# Management



**Gary Jones • CFO**

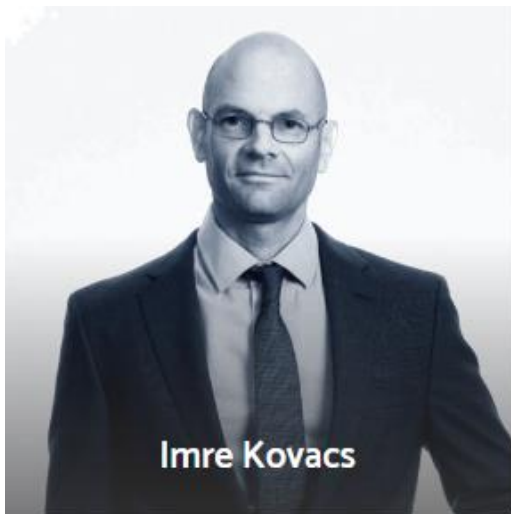
Gary holds a BComm (Hons) and was one of the Managing Partners for a Private Equity firm involved in the Energy Sector. Gary still serves as a Director for a number of Canadian private companies. Gary has also served as Vice-President, Investment Counsellor for one of Canada's major Financial Institutions.



**Kirat Singh • Director of Research**

Dr. Singh holds a PhD in physics from the University of Salford, England. He is the inventor of 8 filed patents, focused mainly in optical technology. He conducted the first 2-D simulation of Anti-Resonant Reflecting Optical Waveguides. He is also the recipient of a Marie Curie Fellowship to develop microfluidic technology.

## Management (Continued)



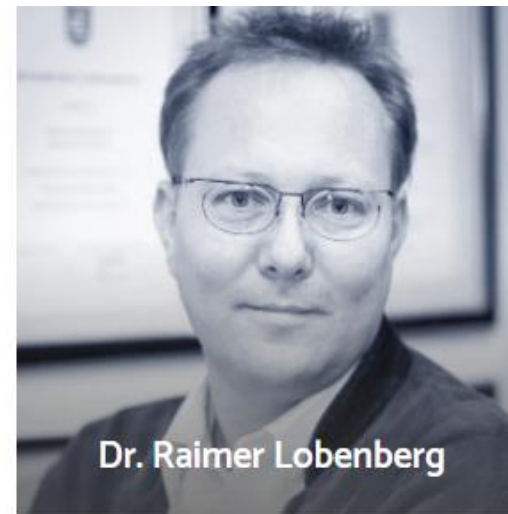
**Imre Kovacs**

As a founding member of the Cannabis Trade Alliance of Canada and OCCRA, Imre brings fifteen years of responsible and successful, standard-setting industry experience and policy development to the table.



**John Conroy**

John W. Conroy QC has been practicing law since 1972. He has acted in numerous cannabis and other drug cases as well as a wide variety of criminal and prison law matters and test cases



**Dr. Raimer Lobenberg**

Dr. Lobenberg holds a PhD in pharmaceuticals and BS in pharmacy. He has contributed to over 100 peer reviewed publications and has a licensed lab for cannabis testing. He is a subcommittee member for US pharmacopoeia, which sets standards for state cannabis industry. He is also a Professor at the University of Alberta, in Pharmaceutical Sciences.

## Advisory Board

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# Statutory rights: Saskatchewan

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Saskatchewan securities legislation provides that where an offering memorandum or amendment to the offering memorandum is sent or delivered to a purchaser that contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the company or a selling security holder on whose behalf the distribution is made or has a right of action for damages against: (a) the company or a selling security holder on whose behalf the distribution is made; (b) every promoter and director of the company or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered; (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them; (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and (e) every person who or company that sells securities on behalf of the Company or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following: (a) if the purchaser elects to exercise its right of rescission against the Company or selling security holder, it will have no right of action for damages against that party; (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on; (c) no person or company, other than the Company or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation; (d) in no case will the amount recoverable exceed the price at which the securities were offered; and (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Company or selling security holder, will be liable if the person or company proves, among other things, that: (a) the offering memorandum to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or (b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Saskatchewan securities legislation also provides: (a) similar rights of action for damages and rescission in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities; (b) that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement; (c) a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are purchased from a vendor who is trading in Saskatchewan in contravention of Saskatchewan securities legislation; and (d) a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan securities legislation.

Saskatchewan securities legislation provides that no action will be commenced to enforce any of the foregoing rights more than: (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of an action for damages, the earlier of (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

Saskatchewan securities legislation also provides a purchaser who has received an amended offering memorandum delivered in accordance with such legislation has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.