

BIOTIME INC
Form 424B5
June 03, 2013

As filed pursuant to Rule 424(b)(5)
Registration No. 333-183557

PROSPECTUS SUPPLEMENT

BIOTIME, INC.

2,180,016 Units
Each Unit Consisting of One Common Share
and
One-Quarter of a Warrant to Purchase One Common Share
545,004 Common Shares Issuable Upon the Exercise of the Warrants

We are offering 2,180,016 common shares and 545,004 warrants to purchase common shares. The common shares and warrants are being offered for sale, directly to selected investors, in “units” at a price of \$4.155 per unit, with each unit consisting of one common share and one-quarter of a warrant. No “units” will be issued, however, and purchasers will receive the common shares and warrants comprising the units. The common shares and warrants may be transferred separately immediately upon issuance. Each warrant will have an initial exercise price of \$5.00 per share and will be exercisable during the five year period beginning on the date of issuance. No fractional warrants will be issued, and purchasers must purchase an aggregate number of units to permit the issuance of full warrants only.

We will pay fees to certain broker-dealers with respect to sales of units to investors introduced to us by the broker-dealers. The broker-dealers have no obligation to buy any of the units from us or to arrange for the purchase or sale of any specific amount of the units. See “PLAN OF DISTRIBUTION” beginning on page S-10 of this prospectus supplement for more information regarding our arrangements with the broker-dealers.

	Per Unit	Total(1)
Public Offering Price	\$ 4.1550	\$ 9,057,966.48
Maximum sales fees	\$ 0.2078	\$ 402,897.89
Proceeds, before expenses, to us	\$ 3.9473	\$ 8,655,068.59

(1) Assumes that we pay a sales fee with respect to 1,939,340 units offered through this prospectus supplement and the accompanying prospectus. Does not include any proceeds to be received from the exercise of the warrants, if any.

Our common shares are quoted on the NYSE MKT under the symbol BTX. The closing price of the common shares on the NYSE MKT on May 29, 2013 was \$4.50. There is no public market for the warrants offered by this prospectus.

These securities involve a high degree of risk and should be purchased only by persons who can afford the loss of their entire investment. See “RISK FACTORS” on page S-3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of

these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is June 3, 2013

TABLE OF
CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-1
<u>SUMMARY</u>	S-2
<u>RISK FACTORS</u>	S-3
<u>DISCLOSURE REGARDING FORWARD- LOOKING STATEMENTS</u>	S-4
<u>USE OF PROCEEDS</u>	S-4
<u>DILUTION</u>	S-5
<u>MARKET FOR OUR COMMON EQUITY</u>	S-6
<u>DESCRIPTION OF SECURITIES</u>	S-6
<u>PLAN OF DISTRIBUTION</u>	S-10
<u>LEGAL MATTERS</u>	S-11
<u>EXPERTS</u>	S-11
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	S-11
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-13

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement relates to the offering of our common shares and warrants in “units.” Before buying any of the common shares and warrants that are being offered, we urge you to carefully read this prospectus supplement, together with the accompanying prospectus and information incorporated by reference as described under the headings “WHERE YOU CAN FIND MORE INFORMATION” and “INCORPORATION OF CERTAIN INFORMATION BY REFERENCE” in this prospectus supplement. These documents contain important information that you should consider when making your investment decision.

This prospectus supplement describes the specific terms of the common shares and warrants being offered and also adds to and updates information contained in the documents incorporated by reference into this prospectus supplement. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in any document incorporated by reference into this prospectus supplement that was filed with the Securities and Exchange Commission (the “SEC”) before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date - for example, a document incorporated by reference into this prospectus supplement - the statement in the document having the later date modifies or supersedes the earlier statement.

You should rely only on the information contained in, or incorporated by reference into, this prospectus supplement, in the accompanying prospectus, and in any free writing prospectus that we may authorize for use in connection with this offering. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell or soliciting an offer to buy our securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make an offer or solicitation. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and in the accompanying prospectus, and in any free writing prospectus that we may authorize for use in connection with this offering, is accurate only as of the date of those respective documents. Our business, financial condition, results of operations, and prospects may have changed since those dates. You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and into the accompanying prospectus, and any free writing prospectus that we may authorize for use in connection with this offering, in their entirety before making an investment decision. You should also read and consider the information in the documents to which we have referred you in the sections of this prospectus entitled “WHERE YOU CAN FIND MORE INFORMATION” and “INCORPORATION OF CERTAIN INFORMATION BY REFERENCE.”

We are offering to sell, and seeking offers to buy, our common shares and warrants only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the offering of the common shares and warrants in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement must inform themselves about, and observe any restrictions relating to, the offering of the common shares and warrants, and the distribution of this prospectus supplement, outside the United States. This prospectus supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for the person to make an offer or solicitation.

The address of our principal executive office is, 1301 Harbor Bay Parkway, Alameda, CA 94502, and our telephone number is (510) 521-3390. Our corporate website address is www.biotimeinc.com. The information contained on our website is not a part of, and should not be construed as being incorporated by reference into, this prospectus supplement.

S-1

Table of Contents

SUMMARY

This summary highlights certain information about this offering and selected information contained elsewhere in or incorporated by reference into this prospectus supplement. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our common shares and warrants. For a more complete understanding of our company and this offering, we encourage you to read and consider carefully the more detailed information in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference into this prospectus supplement and the accompanying prospectus, and the information referred to under the heading "RISK FACTORS" in this prospectus supplement on page S-3 and on page 5 of the accompanying prospectus, and in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

Offering Summary

Securities Offered	2,180,016 common shares and 545,004 warrants to purchase common shares are being offered in "units" with each unit consisting of one common share and one-quarter of a warrant. No fractional warrants will be issued, and purchasers must purchase an aggregate number of units to permit the issuance of full warrants only.
Common Shares Outstanding	55,734,781 shares as of May 28, 2013.
How to Exercise Warrants	<ul style="list-style-type: none"> • The warrants will be evidenced by warrant certificates. • Warrants may be exercised by completing the Exercise Notice form on the back of the warrant certificate and delivering it, together with payment of the exercise price, to BioTime, Inc., 1301 Harbor Bay Parkway, Suite 100, Alameda, California 94502: attention Chief Financial Officer. • Payment of the exercise price of the warrants must be made in cash by wire transfer or, in certain circumstances, by cashless exercise.
Other Terms of Warrants	Each warrant entitles the holder to purchase one common share at a price of \$5.00 per share. The warrants will expire five years from the date of issue and may not be exercised after that date. The number of shares issuable upon the exercise of the warrants and the exercise price per share will be proportionally adjusted in the event of a stock split, stock dividend, combination, or recapitalization of the common shares, or as a result of certain other transactions. See "DESCRIPTION OF SECURITIES."
Risk Factors	Investing in our common shares and warrants involves a high degree of risk. Please read the information contained in and incorporated by reference under the heading "RISK FACTORS" on page S-3 of this prospectus supplement and page 5 of the accompanying prospectus, and under similar headings in the other documents, including our

Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, that are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Table of Contents

RISK FACTORS

Investing in our common shares and warrants involves risk. Before deciding whether to invest in our common shares and warrants, you should consider carefully the risks and uncertainties described below and discussed under the section entitled "RISK FACTORS" on page 5 of the accompanying prospectus. You should also consider the risks, uncertainties and assumptions discussed under the heading "Risk Factors" included in our most recent annual report on Form 10- K, as amended, as revised or supplemented by our most recent quarterly report on Form 10- Q, each of which are on file with the SEC and are incorporated herein by reference, and which may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future. There may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results. If any of these risks actually occurs, our business, business prospects, financial condition or results of operations could be seriously harmed. This could cause the trading price of our common shares to decline, resulting in a loss of all or part of your investment. Please also read carefully the section below entitled "DISCLOSURE REGARDING FORWARD- LOOKING STATEMENTS."

Risks Related to This Offering

Our management will have broad discretion as to the use of the proceeds from this offering, and may not use the proceeds effectively

Because we have not designated the amount of net proceeds from this offering, including proceeds from the sale of the common shares included in the units and any proceeds that we will receive if the warrants are exercised, for use in any particular purpose, our management will have broad discretion as to the application of the net proceeds from this offering. Our management may, among other possible uses of proceeds, use proceeds to finance our research and develop programs, to finance clinical trials of products we are developing, to acquire one or more businesses or new business assets, and for general working capital, and we may invest proceeds in one or more of our existing subsidiaries, or in any new subsidiaries that we may form. We may use the proceeds for purposes that are not contemplated at the time of the offering. All of these potential uses of proceeds involve risks and may not improve the performance or prospects of our business or the business or prospects of our subsidiaries, and may not increase the market value of our common shares.

You may experience immediate and substantial dilution

The offering price per share in this offering may exceed the net tangible book value per share of our common shares outstanding prior to this offering. Assuming that an aggregate of 2,180,016 common shares are sold in this offering at a price of \$4.155 per share for aggregate net proceeds of \$8,582,569, after deducting selling commissions and estimated other offering expenses, you will experience immediate dilution of \$0.15 per share, representing the difference between our as adjusted net tangible book value per share as of March 31, 2013 after giving effect to this offering and the assumed offering price. The exercise of the warrants offered by this prospectus supplement and outstanding stock options and certain warrants may result in further dilution of your investment. See the section entitled "DILUTION" below for a more detailed illustration of the dilution you would incur if you participate in this offering.

There is no public market for the warrants included in this prospectus and we do not expect that a public market for the warrants will develop

We do not intend to apply to list the warrants on a national securities exchange or to arrange for the trading of the warrants in an over-the-counter market. The absence of an active public market would make it difficult for warrant holders to sell their warrants and would adversely affect the value of the warrants.

S-3

Table of Contents

DISCLOSURE REGARDING FORWARD- LOOKING STATEMENTS

Some of the statements in this prospectus supplement, the accompanying prospectus and in the documents incorporated herein by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements reflect our current views with respect to future events or our financial performance, and involve certain known and unknown risks, uncertainties and other factors, including those identified below, which may cause our or our industry’s actual or future results, levels of activity, performance or achievements to differ materially from those expressed or implied by any forward-looking statements or from historical results. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements include information concerning our possible or assumed future results of operations and statements preceded by, followed by, or that include the words “may,” “will,” “could,” “would,” “should,” “believe,” “exp,” “plan,” “anticipate,” “intend,” “estimate,” “predict,” “potential” or similar expressions.

Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations reflected in the forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that the expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. We have no duty to update or revise any forward-looking statements after the date of this prospectus supplement or to conform them to actual results, new information, future events or otherwise.

The factors described under “RISK FACTORS” in this prospectus supplement or the accompanying prospectus, and in any documents incorporated by reference into this prospectus supplement or the accompanying prospectus, and other factors could cause our or our industry’s future results to differ materially from historical results or those anticipated or expressed in any of our forward-looking statements. We operate in a continually changing business environment, and new risk factors emerge from time to time. Other unknown or unpredictable factors also could have material adverse effects on our future results, performance or achievements. We cannot assure you that projected results or events will be achieved or will occur.

USE OF PROCEEDS

We will receive \$8,582,569, net of the maximum amount of selling commissions that may be paid to broker-dealers in connection with the sale of the units, and the estimated other costs of this offering. We will also receive up to an additional \$2,603,811 if all of the warrants are exercised in full for cash, after paying selling commissions.

As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses for the net proceeds that we will have from the sale of the common shares, and from any warrants that may be exercised. Accordingly, our management will have broad discretion in the application of the net proceeds. We expect to use the net proceeds for general corporate purposes, including, without limitation, to finance our research and develop programs, to finance clinical trials of products we are developing, to acquire one or more businesses or new business assets, and for general working capital. We may invest proceeds in one or more of our existing subsidiaries, or in any new subsidiaries that we may form, including funding of the expansion of the LifeMap Sciences, Inc. product development and research programs. We may use the proceeds for purposes that are not contemplated at the time of the offering

Pending the application of the net proceeds, we expect to invest the proceeds in investment grade, interest bearing securities.

S-4

Table of Contents

DILUTION

If you purchase our common shares in this offering, your interest will be diluted to the extent of the difference between the public offering price per share and the net tangible book value per share of our common shares after this offering. We calculate net tangible book value per share by dividing our net tangible assets (tangible assets less total liabilities) by the number of our common shares issued and outstanding as of March 31, 2013.

Our net tangible book value at March 31, 2013 was \$10,138,375 or \$0.18 per share. After giving effect to the sale of 2,180,016 common shares and 545,004 warrants in this offering at an assumed offering price of \$4.155 per unit, and after deducting estimated selling commissions and other estimated offering expenses, our adjusted net tangible book value as of March 31, 2013 would have been approximately \$18.7 million, or \$0.33 per common share. This represents an immediate increase in the net tangible book value of \$0.15 per share to our existing shareholders and an immediate dilution in net tangible book value of \$3.83 per share to new investors. The following table illustrates per share dilution:

Assumed public offering price per share		\$4.155
Net tangible book value per share as of March 31, 2013	\$0.18	
Increase in net tangible book value per share attributable to this offering	\$0.15	
Adjusted net tangible book value per share as of March 31, 2013, after giving effect to this offering		\$0.33
Dilution per share to new investors purchasing shares in this offering		\$3.83

The table above assumes for illustrative purposes that all 2,180,016 shares and 545,004 warrants are sold at a price of \$4.155 per unit, for aggregate gross proceeds of \$9,057,966. This information is supplied for illustrative purposes only.

The above discussion and table are based on 54,912,781 common shares issued and outstanding as of March 31, 2013, and excludes the following:

- 822,000 common shares issued after March 31, 2013;
- warrants to purchase 816,612 common shares at a weighted average exercise price of \$8.41 per share outstanding at March 31, 2013, and warrants to purchase 389,999 common shares at \$5.00 per shares issued after March 31, 2013;
- options under our 2002 Stock Option Plan and subject to shareholder approval under our 2012 Equity Incentive Plan to purchase 4,771,301 common shares, with a weighted average exercise price of \$2.75 per share, outstanding on March 31, 2013, and options to purchase an additional 30,000 common shares, with a weighted average exercise price of \$4.07 per share, granted since that date, subject to shareholder approval under our 2012 Equity Incentive Plan, offset by the forfeiture of 212,501 options with a weighted average exercise price of \$4.19 since that date,

To the extent that outstanding options or warrants are exercised, or other shares are issued, investors purchasing shares in this offering could experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

Table of Contents

MARKET FOR OUR COMMON EQUITY

Our common shares are traded on the NYSE MKT under the ticker symbol BTX. The following table sets forth the range of high and low closing prices for our common shares for the fiscal years ended December 31, 2011 and 2012 and for the three months ended March 31, 2013, as reported by the NYSE MKT

Quarter Ended	High	Low
March 31, 2011	\$ 9.50	\$ 6.53
June 30, 2011	\$ 7.73	\$ 4.15
September 30, 2011	\$ 5.70	\$ 4.34
December 31, 2011	\$ 6.02	\$ 3.74
March 31, 2012	\$ 6.12	\$ 4.41
June 30, 2012	\$ 4.79	\$ 3.47
September 30, 2012	\$ 4.98	\$ 3.81
December 31, 2012	\$ 4.40	\$ 2.91
March 31, 2013	\$ 4.99	\$ 3.20

As of February 5, 2013, there were 15,138 holders of the common shares based on the share position listing.

There has previously been no public market for the warrants offered by this prospectus supplement and we do not expect that a public market for the warrants will develop. We do not intend to apply to list the warrants on any national securities exchange or to arrange for the trading of the warrants in any over-the-counter market.

Dividend Policy

We have never paid cash dividends on our capital stock and do not anticipate paying cash dividends in the foreseeable future, but intend to retain our capital resources for reinvestment in our business. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements and other factors as the Board of Directors deems relevant.

DESCRIPTION OF SECURITIES

Common Shares

Our Articles of Incorporation currently authorize the issuance of up to 125,000,000 common shares, no par value, of which 55,734,781 shares were outstanding at May 28, 2013. As of February 5, 2013, there were 15,138 holders of the common shares based on the share position listing. Each holder of record is entitled to one vote for each outstanding common share owned by him on every matter properly submitted to the shareholders for their vote.

Subject to the dividend rights of holders of any of the preferred shares that may be issued from time to time, holders of common shares are entitled to any dividend declared by the Board of Directors out of funds legally available for that purpose. We have not paid any cash dividends on our common shares, and it is unlikely that any cash dividends will be declared or paid on any common shares in the foreseeable future. Instead, we plan to retain our cash for use in financing our future operations and growth.

Subject to the prior payment of the liquidation preference to holders of any preferred shares that may be issued, holders of common shares are entitled to receive on a pro rata basis all of our remaining assets available for distribution to the holders of common shares in the event of the liquidation, dissolution, or winding up of our

operations. Holders of common shares do not have any preemptive rights to become subscribers or purchasers of additional shares of any class of our capital stock.

S-6

Table of Contents

Transfer Agent

The transfer agent and registrar for the common shares is American Stock Transfer and Trust Company, 6201 15th Avenue, Brooklyn, New York 11219.

Preferred Shares

Our Articles of Incorporation currently authorize the issuance of up to 2,000,000 preferred shares, no par value. We may issue preferred shares in one or more series, at any time, with such rights, preferences, privileges and restrictions as the Board of Directors may determine, all without further action of our shareholders. Any series of preferred shares which may be authorized by the Board of Directors in the future may be senior to and have greater rights and preferences than the common shares. There are no preferred shares presently outstanding and we have no present plan, arrangement, or commitment to issue any preferred shares.

Warrants

We are offering up to 545,004 warrants through this prospectus supplement. Each full warrant will entitle the holder to purchase one common share at a price of \$5.00 per share subject to adjustment as described below under "Adjustment of the Number of Shares and Exercise Price."

How to Exercise Warrants

The warrants may be exercised by delivery of an Exercise Notice, in the form attached to the warrant certificates, to us and payment of the exercise price. The Exercise Notice form attached to the warrant certificate must be signed by the warrant holder, and if the shares are to be issued to a person other than the warrant holder, the warrant holder's signature must be guaranteed by a financial institution that is a participant in a recognized signature guarantee program. Payment of the exercise price of the warrants must be made in cash by wire transfer.

If the common shares are then traded on a securities exchange or electronic trading system designated in the warrant or on the OTC Bulletin Board and a registration statement under the Securities Act permitting the resale of the shares issuable upon the exercise of the warrants is not in effect, a warrant holder may deliver to us an Exercise Notice cancelling all or a portion of the warrants being exercised in lieu of paying the exercise price in cash, and receive upon such exercise the "net number" of common shares determined according to a formula based on the total number of shares with respect to which the warrants are being exercised, the closing sale price for our common shares on the trading day immediately preceding the date that the warrant Exercise Notice is received, and the exercise price of the warrants.

No fractional common shares will be issued upon the exercise of the warrants. Instead, the number of common shares to be issued shall be rounded down to the nearest whole number and we will refund to the warrant holder the portion of the exercise price allocable to the fraction of a share not issued.

Limitations on Exercise

The number of common shares that may be acquired by a warrant holder upon any exercise of a warrant will be limited to the extent necessary to ensure that, following such exercise (or other issuance), the total number of our common shares then beneficially owned by the warrant holder and its affiliates and any other persons whose beneficial ownership of our common shares would be aggregated with the warrant holder's for purposes of Section 13(d) of the Exchange Act does not exceed 9.9% of the total number of issued and outstanding common shares (including for such purpose the common shares issuable upon such exercise).

Expiration Date of Warrants

The warrants will expire at 5:00 p.m. New York time five years after the date of issue and may not be exercised after that date.

S-7

Table of Contents

Transferability

The warrants may be transferred by the warrant holder upon surrender of the warrant certificate to us together with the appropriate instruments of transfer. The warrants may be transferred independent of the common shares with which they are being issued.

Cash Penalty and Buy-In Rights

We are required to deliver the common shares issuable upon the exercise of the warrants not later than the third trading day after we receive a warrant holder's Exercise Notice, provided that the warrant holder pays the exercise price by the second trading day after we receive the Exercise Notice. If we do not receive the exercise price by the second trading day after we received the Exercise Notice, then we will not be obligated to deliver the common shares until the trading day after we receive the exercise price. If we fail to deliver the shares by the date due, then, in addition to all other remedies available to the warrant holder, we will be required to pay the warrant holder an amount of cash equal to 1.5% of the product of (A) the sum of the number of common shares not issued to the warrant holder on a timely basis and (B) the closing sale price of our common shares on the trading day immediately preceding the last possible date on which we could have issued the shares on a timely basis; provided, that if the common shares are then not publicly traded, the exercise price of the warrants rather than the closing sale price shall apply. In addition, the warrant holder may void its exercise of the warrants.

The warrants also provide for buy-in rights to the holder if we fail to deliver the shares by the third trading day following receipt of the Exercise Notice and exercise price. The buy-in rights apply if after the date on which delivery of the shares is required by the warrants, the holder purchases (in an open market transaction or otherwise) BioTime common shares to deliver in satisfaction of a sale of the common shares that the warrant holder anticipated receiving through the exercise of the warrants. In such event, we will be obligated to either:

- pay in cash to the warrant holder the amount equal to the warrant holder's total purchase price (including brokerage commissions and out-of-pocket expenses) for the shares so purchased by the warrant holder, in which case our obligation to deliver the shares shall terminate; or
- promptly honor our obligation to deliver the shares and pay in cash the excess (if any) of the buy-in price (including brokerage commissions and out-of-pocket expenses, if any) over the product of (A) the number of shares that we were required to deliver to the warrant holder in connection with the exercise of the warrants, and (B) the last closing bid price for the common shares on the date of exercise.

Adjustment of the Number of Shares and Exercise Price

The number of common shares issuable upon the exercise of the warrants, and the exercise price per share, will be proportionally adjusted in the event of a stock split, stock dividend, combination, reclassification of our common shares or similar recapitalization.

The number of shares issuable upon the exercise of the warrants, and exercise price per share will also be adjusted if we issue rights, options or warrants to all holders of our outstanding common shares, without any charge to those holders, entitling them to subscribe for or purchase common shares at a price per share which is lower at the record date than the then current market price per share of our common shares. In that case, the number of common shares thereafter purchasable upon the exercise of each warrant will be determined by multiplying the number of shares otherwise issuable upon exercise of each warrant by a fraction, the numerator of which will be the number of common shares