

August 10th, 2016

Dear Shareholder,

We would like to take this opportunity to inform you of the exciting progress at Ecovatec. It has been 11 months since inception and the developments have been monumental. We have assembled an exceptional operations team, management team and board of directors and we are looking forward to completing construction and the start of production.

The 12,000 sq ft facility in Abbotsford with which we have secured a 10-year lease contract has undergone a substantial facelift. Considerable lease hold improvements have been undertaken and the construction/installation and plant assembly phase is ongoing, while processing equipment continues to arrive from overseas. The first phase of plant commissioning is expected to start in mid-August, with product testing and commissioning continuing throughout the month and production slated for sometime in September.

We are excited to announce the launch of our newly designed website. Visit us at www.ecovatec.com. In the top right-hand corner of the website you will see "Investors". Please click this link in order to be directed to information tailored to keep you informed and up to date with the developments at Ecovatec. This section is password protected as it contains confidential company information not available to other users.

Please keep this password secure.
Investor Password: **phospholipids**

ECOVATEC WEBSITE

Manufacturing QAQC

Our Chief Technical Officer and Co-Founder, Stuart Lee, has been overseas in China almost exclusively since the end of November to ensure a company and expert presence throughout every step of the manufacturing and custody process. The technical and engineering team has been thoroughly impressed with the quality and precision of the equipment manufactured overseas. We owe a huge thanks to Stuart for posting up overseas, designing equipment, ensuring upmost quality control, and managing the chain of custody for all the equipment throughout the last 9 months.



Product Marketing and Development

Our Chief Marketing Officer and Co-founder, Willie Ten Haaf, returned from a very successful marketing trip to Korea. Ecovatec will be selling Phospholipids (PL) and Phosvitin (PPP) products predominantly to the Korean market. The purpose of the mission was to renew old connections with Ohnam and establish new connections with Onatra; two of Korea's top nutritional food agents. We are excited to announce the opening of our Asian office in Seoul, Korea with our new sales partners at Onatra Trading. Subsequently, a MOU was signed with YH Foods to become the sole distributor of Phosvitin Phosphopeptide (PPP) for the food industry in Korea as a functional ingredient. Y.H. Foods will also perform the required procedures for KFDA (Korean Food and Drug Administration) product approval. Y.H. Foods is ecstatic to penetrate the Korean market with PPP and we have granted them with a 2-year exclusivity for distribution in the Korean market after which a first right of refusal will be granted by Ecovatec Solutions.

We are continuing to seize new opportunities to increase shareholder value through new product development and entrance into new markets. Apart from continued research and development in using our egg oil as an organic herbicide-fungicide, we have focused a significant amount of R&D on increasing our return from our protein line; the most valuable part of the yolk. Thus, we have developed a fourth product, yolk protein peptide (YPP), which is offering excellent potential. Research has demonstrated that YPP offers various functional health benefits and we are excited to enter the market with this product. YPP has proven effective in returning plaque cholesterol back to the liver, preventing plaque from your veins and removing blood clots. For more information on YPP, click here. <http://ecovatec.com/yolk-protein-peptide/>

Financials and Economics

Ecovatec has now raised close to C\$3.4 million and we will be fulfilling one last tranche of C\$1,000,000 to finalize the capital raising initiatives. Due to an increase in some equipment purchases and losses associated with foreign exchange, the capital requirement for the project has increased. We would like to offer this opportunity first to existing shareholders to participate in this tranche at the same valuation (.30) as the previous financing. If you are interested in participating in this final round of financing, please contact us. The Company will also be establishing a line of credit with Farm Credit Canada with a 1 year no interest loan, accessible upon final completion of the processing plant. We anticipate utilizing approximately \$4-500,000 of the credit facility during the first several months of production for sustaining capital requirements. As we look forward to establishing a revenue stream in the coming months, the Company continues to be on track to reach its annual sales and earnings goals as well as its expansion objectives. For more information on project economics, visit to the investors page on the website.

We believe that a fundamental measure of our success will be the shareholder value we create over the long term. This value will be a direct result of our ability to deliver the highest quality nutritional supplement products to solidify a market leadership position. The first measure of success will be the degree to which our customers continue to purchase from us on a repeat basis, by fulfilling long term order contracts to our overseas buyers; driven by our ability to deliver exceptional quality products.



We have invested and will continue to invest aggressively to expand the production capacity and leverage our unique market opportunity. We have enlisted an exceptional operations and management team with the experience and expertise for successful execution and we are thrilled to be supported by a strong and influential board of directors whom are recognized as industry leaders in the local poultry and egg industries. The Ecovatec team is hard at work doing a phenomenal job for you, our shareholders, and our customers.

From the entire team at Ecovatec, we would like to thank you for your continued support and we look forward to exciting times ahead of us.

Sincerely,

The Ecovatec Team