

The securities offered by the present prospectus are offered only in Quebec; they may be lawfully offered for sale only by persons registered with la Commission des valeurs mobilières du Québec. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

Initial Public Offering

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.



Minimum Offering: \$3,000,000 (3,000,000 units at the price of \$1.00 per unit)
Maximum Offering: \$5,000,000 (5,000,000 units at the price of \$1.00 per unit)

Each unit comprises one common share and one half Series C warrant

This prospectus qualifies the distribution by Neptune Technologies & Bioressources inc. (the "Company" or "Neptune") of a minimum of 3,000,000 units (the "Minimum Offering") and a maximum of 5,000,000 units (the "Maximum Offering") at the price of \$1.00 per unit. Each unit comprises one common share (the "Common Share(s)") and one half Series C warrant. Each whole Series C warrant (the "Series C Warrant(s)") entitles the holder thereof to acquire one Common Share in the Company's capital stock at the price of \$1.50 per share at any time up to June 28, 2002. The Common Shares issued upon exercise of Series C Warrants shall be held in escrow for a period of 90 days following their issue date. The offering price for the units was determined following negotiations between Hampton Securities Limited (the "Agent") and the Company.

There is currently no market upon which the units offered pursuant to this distribution may be traded, and, consequently, subscribers may be unable to resell them. On May 3, 2001, the Canadian Venture Exchange Inc. (CDNX) has approved the listing of the Common Shares of the Company offered hereby subject to certain conditions that shall be met by the Company no later than July 18, 2001, including the distribution of the Common Shares pursuant hereto to a minimum number of public shareholders. **The offering price for each Common Share, after giving effect to this offering, exceeds the net tangible book value per Common Share of the Company as at November 30, 2000, by \$0.6432 (\$0.7292 in the event of the Minimum Offering), thus representing a dilution of 64.32% (72.92% in the event of the Minimum Offering). See "Dilution."**

In the opinion of legal counsel for the Company, the Common Shares included in the units offered pursuant hereto will not be precluded as investments pursuant to the terms of certain statutes. See "Eligibility for Investment." An investment in the units carries a high degree of risk and should be viewed as speculative due to the nature of the Company's activities and its current stage of development. See "Risk Factors."

Price: \$1.00 per unit

	<u>Offering price</u>	Agent's fee ⁽¹⁾	Net proceeds to the Company ⁽²⁾
Per unit	\$1.00	\$0.08	\$0.92
Minimum Offering	\$3,000,000	\$240,000	\$2,760,000
Maximum Offering	\$5,000,000	\$400,000	\$4,600,000

- (1) As additional compensation, the Company has undertaken to grant to the Agent a non-transferable option (the "Compensation Option") entitling it, within 12 months following the final closing of this offering, to subscribe to a number of Common Shares equal to 8% of the number of units sold pursuant to this offering to clients directly solicited by the Agent, subject to a minimum of 4% of the total number of units subscribed to pursuant to this offering. The exercise price shall be \$1.00 per Common Share. This prospectus also qualifies the distribution of the Compensation Option. See "Plan of Distribution".
- (2) Before deducting the expenses of the offering estimated at \$200,000 which will be paid directly from the net proceeds of the offering.

The Agent conditionally offers the units, on a best efforts basis, subject to prior sale, if, as and when issued and delivered by the Company and accepted by the Agent, in compliance with the conditions set forth in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Boivin, O'Neil, general partnership, of Montreal for the Company and by Fasken Martineau DuMoulin, LLP of Montreal for the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. The first closing date for this offering is expected to occur on or about June 6, 2001, but no later than July 11, 2001, if all the closing conditions have been met at this date. Additional closings may take place up to July 11, 2001. At each closing, the Common Shares and Series C Warrants included in the units will be separated and a certificate evidencing each of these securities shall be delivered to the subscribers within three days following each closing date.

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SUBSCRIPTION PROCEDURES

Any prospective investor who wishes to subscribe to units shall:

- (a) issue a cheque bearing the date of his subscription made payable to Fiducie Desjardins Inc. (the «Custodian») in the amount of the subscription; and
- (b) return same to the Agent or to one of its authorized agents or to the Custodian.

The Company reserves the right to reject or allot any subscription, in whole or in part, and to close the subscription books at any time without notice. If a subscription is rejected, the cheque shall be promptly returned to the investor, without interest or deduction.

All subscriptions shall be deposited in trust with the Custodian until the distribution proceeds have reached the amount of the Minimum Offering. Cheques shall be cashed and the distribution proceeds shall be retained by the Custodian. Interest shall not be paid to the subscribers on the distribution proceeds thus retained by the Custodian. At the closing of the offering, the distribution proceeds shall be paid to the Company which shall then proceed with the issue of the units to the investors whose subscriptions have been accepted. All certificates evidencing Common Shares and Series C Warrants included in the units shall be delivered to each subscriber within three days following each closing date.

The first closing date of this offering is scheduled to occur on or about June 6, 2001, if all conditions of the closing have been met at that date. Additional closings may be held thereafter until July 11, 2001. If the first closing date does not occur at the set date, namely on or about June 6, 2001, but no later than July 11, 2001, all cheques or cash received by the Agent, any of its agents or the Custodian shall be returned to each subscriber, without interest or deduction.

ELIGIBILITY FOR INVESTMENT

In the opinion of Boivin, O’Neil, general partnership, legal counsel to the Company, and Fasken Martineau DuMoulin, LLP, legal counsel to the Agent, subject to prudent investment standards and the general provisions and restrictions regarding investment set out in the statutes listed below (and, as applicable, the regulations passed pursuant to such statutes) and, in certain cases, subject to compliance with additional requirements regarding investment or lending policies, procedures or objectives, the Common Shares included in the units offered hereby will not be, on the issue date, precluded investments pursuant to the following statutes:

Insurance Companies Act (Canada)

Supplemental Pension Plans Act (Quebec)

*Pension Benefits Standards Act 1985
(Canada)*

An Act respecting trust companies and savings companies (Quebec) (except trust companies in respect of funds, other than deposits, which are administered for the benefit of third parties)

Trust and Loan Companies Act (Canada)

*An Act respecting insurance (Quebec)
(in respect of insurers other than a guarantee fund)*

Furthermore, in the opinion of such counsel, the Common Shares, when listed on a prescribed stock exchange in Canada, and the Series C Warrants comprised in the units offered pursuant to this prospectus would constitute qualified investments under the *Income Tax Act (Canada)* and its regulations for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit-sharing plans (collectively “deferred income plans”) as well as for registered education savings plans . The Common Shares included in the units offered pursuant to this prospectus, if they were issued on the date hereof, would not constitute foreign property for the purposes of the provisions regarding the tax assessable under Part XI of the *Income Tax Act (Canada)* with respect to deferred income plans, registered investments or other tax-exempt entities, specifically most pension funds or pension plans.

PROSPECTUS SUMMARY

The summary below of the main features of the offering is presented subject to the more detailed information and the data and financial statements, including accompanying notes, found elsewhere in this document. In this prospectus, unless otherwise indicated, all dollar amounts are in Canadian dollars.

The Offering

Minimum Offering: \$3,000,000 (3,000,000 units at a price of \$1.00 per unit, each unit being comprised of one Common Share and one half Series C Warrant)

Maximum Offering: \$5,000,000 (5,000,000 units at a price of \$1.00 per unit, each unit being comprised of one Common Share and one half Series C Warrant)

Price: \$1.00 per unit

Use of Proceeds: The estimated net proceeds from this offering to be received by the Company after deducting the Agent's fee, namely \$400,000 (\$240,000 in the event of a Minimum Offering) and the estimated expenses of \$200,000, will aggregate \$4,400,000 (\$2,560,000 in the event of the Minimum Offering). The following table details the approximate use of the net proceeds of the offering.

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
RESEARCH		
Extraction processes	\$1,224,000	\$1,866,000
Applied researches	<u>\$600,000</u>	<u>\$1,408,000</u>
	<u>\$1,824,000</u>	<u>\$3,274,000</u>
PATENTS & LICENSES	<u>\$450,000</u>	<u>\$700,000</u>
WORKING CAPITAL		
Fixed assets	\$5,000	\$150,000
Operating expenses	\$281,000	\$276,000
Total	<u>\$2,560,000</u>	<u>\$4,400,000</u>

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