

OFFERING MEMORANDUM

*This Offering Memorandum constitutes a private offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus, advertisement or public offering of the securities referred to herein. **No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 10 "Risk Factors".** Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada. The securities offered hereunder will be issued under exemptions from the registration and prospectus requirements of the applicable securities laws of the Provinces and Territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon and the rules, regulations and policies thereunder and will be subject to certain resale restrictions. These securities will not be offered for sale in the Province of Québec and the United States of America.*

May 7, 2024

Continuous Offering

AMUR CAPITAL INCOME FUND INC.

#310 – 10524 King George Boulevard
Surrey, British Columbia V3T 2X2
Telephone: (604) 581-2161
Fax: (604) 581-2161
Email: invest@amurgroup.ca

\$1.00 per Redeemable Preferred Share

Minimum Subscription: There is no minimum amount

Amur Capital Income Fund Inc. (the "**Company**") is a private mortgage investment corporation incorporated under the *Company Act* (British Columbia) on September 13, 1984, under the name "Ryan Mortgage Corp.". On July 28, 2005, the Company transitioned under the new *Business Corporations Act* (British Columbia). On May 7, 2008, the Company changed its name to "Ryan Mortgage Income Fund Inc." On December 27, 2023, the Company changed its name to "Amur Capital Income Fund Inc."

The Company is offering on a private-placement basis up to a maximum of 150,000,000 redeemable preferred shares (the "**Preferred Shares**"), which are voting, in the capital of the Company at an initial price of \$1.00 per Preferred Share (the "**Offering**"). Each Preferred Share represents a beneficial interest in the profits of the Company, which will principally be comprised of annual dividends paid in cash or in Preferred Shares of the Company.

The Offering is being made with reliance on certain exemptions from the registration and prospectus filing requirements available under the securities laws of the Provinces and Territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon. As a result, the Preferred Shares offered herein will be subject to the applicable resale restrictions under these laws. You will be restricted from selling your securities for an indefinite period. See Item 12 "*Resale Restrictions*". There are certain risk factors inherent in an investment in the Preferred Shares and in the activities of the Company. See Item 10 "*Risk Factors*".

Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under Item 5.2 "*Subscription Procedure*" and to the right of the Company to close the subscription books at any time without notice. The Offering is continuous and Preferred Shares will be available for sale. Purchasers will have two Business Days to cancel their agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, purchasers will have the right to sue either for damages or to cancel their agreement to purchase these securities. See Item 5.2 "*Subscription Procedure*" and Item 13 "*Purchasers' Rights*".

DISCLAIMERS

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the securities offered hereby. Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their professional advisors to assess the business, legal, income tax and other aspects of this investment. The securities offered hereby will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by the Company. Any subscription for the securities offered hereby made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, will be solely at the risk of such person.

This Offering Memorandum is confidential. By their receipt hereof, prospective Subscribers agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein.

OFFERING MEMORANDUM
for
AMUR CAPITAL INCOME FUND INC.

Offering of Redeemable Preferred Shares up to a Maximum of \$150,000,000

Date: April 30, 2024

The Issuer

Name: Amur Capital Income Fund Inc. (the "**Company**")

Head office: #310 – 10524 King George Boulevard
Surrey, British Columbia V3T 2X2

Phone no.: 604.581.2161

Website address: <https://amurcapital.ca/amur-capital-income-fund/>

Email address: invest@amurcapital.ca

Currently listed or quoted: No. **These securities are not currently listed on any exchange or market.**

Reporting issuer: No.

The Offering

Securities offered: Redeemable, voting preferred shares with a par value of \$1.00 each (the "**Preferred Shares**")

Price per security: \$1.00 per Preferred Share (the "**Subscription Price**")

Minimum/maximum offering: **There is no minimum. You may be the only purchaser.** The maximum is \$150,000,000. Funds available under the offering of the Preferred Shares (the "**Offering**") may not be sufficient to accomplish the Company's proposed objectives.

Minimum subscription amount: There is no minimum subscription amount.

Payment terms: The full subscription price is payable upon subscription, by certified cheque, wire payment, electronic transfer or bank draft payable to "Amur Capital Income Fund Inc." See Item 5.2 "*Subscription Procedure*".

Proposed closing date(s): The closing of the sale of the Preferred Shares offered hereunder will take place at such times as are chosen by the Company (each, a "**Closing**"). The Company reserves the right to close the Offering at any time as subscriptions are received.

Income Tax consequences: There are important tax consequences to these securities (see Item 8 "*Income Tax Consequences and RRSP/TFSA Eligibility*").

Compensation Paid to Sellers and Finders: A person has received or will receive compensation for the sale of securities under this offering. See Item 9 "*Compensation Paid to Sellers and Finders*".

AMUR Capital Management Corporation ("**AMUR Capital**"), a related entity, is registered under the securities laws of the Provinces of Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan to act as the Company's exempt market dealer ("**EMD**") to sell its Preferred Shares in those jurisdictions pursuant to exemptions from the prospectus requirements. Finhaven Capital Inc. ("**Finhaven**") is registered under the securities laws of the Province of Ontario to act as the Company's exempt market dealer to sell its Preferred Shares in Ontario pursuant to exemptions from the prospectus requirements.

Pursuant to an EMD agreement dated January 1, 2020 (the "**EMD Agreement**") and a finder's fee agreement dated July 31, 2023 (the "**Finhaven Agreement**"), the Company has engaged AMUR Capital and Finhaven, respectively, as its EMDs to sell its Preferred Shares in Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan (in the case of AMUR Capital) and in Ontario (in the case of Finhaven). In New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Yukon, the Company's Preferred Shares will be sold by dealers duly registered with the Canadian Investment Regulatory Organization ("**CIRO dealers**") who will charge their applicable firm advisory fee to their clients in connection with the purchase of Preferred Shares. See Item 9 "*Compensation Paid to Sellers and Finders*" and Item 2.7 "*Material Contracts*".

Insufficient Funds: Funds available under the offering may not be sufficient to accomplish the proposed objectives. See Item 2.6 "*Insufficient Funds*".

Underwriter(s): Not applicable.

Resale Restrictions: As there is no market for the Preferred Shares, it may be difficult or even impossible to sell them. Preferred Shares are subject to resale restrictions and you will be restricted from selling your Preferred Shares for an indefinite period (see Item 12 "*Resale Restrictions*"). However, you may elect to redeem any or all of your Preferred Shares at certain times if you follow the procedures established (see Item 5.1 "*Terms of Preferred Shares – Rights of Redemption by the Shareholder*").

Working Capital Deficiency	The Company does not have a working capital deficiency. See Item 1.1 "Net Funds".
Certain Dividends or Distributions	There have not been any dividends or distributions that exceeded cash flow. See Item 7.
Conditions on Repurchases	You will have a right to require the Company to repurchase the Preferred Shares from you, but this right is qualified by restrictions. As a result, you might not receive the amount of proceeds that you want. The Directors (as defined below) may determine that the Company shall not in any one fiscal year redeem more than five percent (5%) of the number of issued and outstanding Preferred Shares. See Item 5.1 "Terms of Preferred Shares".
Purchaser's rights:	<p>You have two (2) business days to cancel your agreement to subscribe for Preferred Shares. If there is a misrepresentation in this offering memorandum, you have a right to damages or to cancel the agreement. See Item 13 "<i>Purchasers' Rights</i>".</p> <p>No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment (see Item 10 "<i>Risk Factors</i>").</p>

TABLE OF CONTENTS

Glossary	1
Item 1 Use of Available Funds	2
1.1 Net Funds	2
1.2 Use of Available Funds	2
Item 2 Business of the Company and other Information and Transactions	3
2.1 Structure	3
2.2 The Company's Business	3
2.3 Development of the Business	8
2.4 Long-Term Objectives	11
2.5 Short-Term Objectives	12
2.6 Insufficient Funds	12
2.7 Material Contracts	12
Item 3 Compensation and Security Holdings of Certain Parties	14
3.1 Compensation and Securities Held	14
3.2 Management Experience	16
3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters	17
3.4 Certain Loans	18
Item 4 Capital Structure	18
4.1 Securities Except for Debt Securities	18
4.2 Long-Term Debt	18
4.3 Prior Sales	18
Item 5 Securities Offered	19
5.1 Terms of Preferred Shares	19
5.2 Subscription Procedure	22
Item 6 Repurchase Requests	24
Item 7 Certain Dividends or Distributions	25
Item 8 Income Tax Consequences and RRSP/TFSA Eligibility	25
8.1 General	25
8.2 Status as a Mortgage Investment Company	26
Item 9 Compensation Paid to Sellers and Finders	31
Item 10 Risk Factors	31
Item 11 Reporting Obligations	38
Item 12 Resale Restrictions	39
12.1 Restricted Period	39
12.2 Manitoba Resale Restrictions	39
Item 13 Purchasers' Rights	39
13.1 Statements Regarding Purchasers' Rights	39
13.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert	43
Item 14 Financial Statements	44
Item 15 Date and Certificate	45

Glossary

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.

"**Affiliate**" or "**Affiliates**" has the same meaning as in the BC Securities Act;

"**AFG**" means Amur Financial Group Inc.;

"**AMUR Capital**" means AMUR Capital Management Corporation;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BC Securities Act**" means the *Securities Act* (British Columbia), with all amendments thereto in force from time to time and any statutes that may be passed which have the effect of supplementing or superseding such statute;

"**Business Day**" means a day other than a Saturday, Sunday or any day on which the principal office of the Company's bankers located in Vancouver, British Columbia, is not open for business during normal banking hours;

"**Closing**" means a closing of the sale of Preferred Shares as the Company may determine from time to time;

"**Common Share**" means a common share in the capital of the Company;

"**Fiscal Year**" means each consecutive period of 12 months ending on May 31;

"**Loans**" means the portfolio of short to medium-term loans in which the Company will invest the net proceeds from the issuance of Preferred Shares pursuant to this Offering Memorandum;

"**MIC**" means a mortgage investment corporation as defined in subsection 130.1(6) of the Tax Act;

"**Mortgage**" or "**Mortgages**" means a mortgage, a mortgage of a mortgage or a mortgage of a leasehold interest (or other like instrument, including an assignment of or an acknowledgement of an interest in a mortgage), hypothecation, deed of trust, charge or other security interest of or in Real Property used to secure obligations to repay money by a charge upon the underlying Real Property;

"**Mortgage Broker**" means a party licensed under the Mortgage Brokers Act;

"**Mortgage Brokers Act**" means the Mortgage Brokers Act (British Columbia), with all amendments thereto in force from time to time and any statutes that may be passed which have the effect of supplementing or superseding such statute;

"**Net Subscription Proceeds**" means the gross proceeds to the Company from the sale of the Preferred Shares less the costs of this Offering and any sales fees or dealer fees;

"**Offering**" means this offering of up to 150,000,000 Preferred Shares;

"**Preferred Share**" means a Redeemable Preferred Share in the capital of the Company;

"**Preferred Shareholder**" means those investors whose subscriptions to purchase Preferred Shares are accepted by the Company and thereafter at any particular time the persons entered in the central securities register of the Company as holders of Preferred Shares and the singular form means one such registered holder;

"**Primary Districts**" means, collectively, the Greater Toronto Region District, the Fraser Valley Regional District, the Metro Vancouver Regional District, the Greater Calgary Regional District, the Greater Edmonton Regional District, Kelowna, Kamloops, Penticton, Northern British Columbia, Other Alberta Regions, Other British Columbia Regional District, Other Ontario Rural Area, Other Ontario Urban Area, Other Vancouver Island, Thompson, Okanagan, Victoria Regional District and Greater Montreal District;

"**Real Property**" means land, rights or interest in land (including without limitation leaseholds, air rights and rights in condominiums, but excluding Mortgages) and any buildings, structures, improvements and fixtures located thereon;

"**Redemption Amount**" means for a Preferred Share the sum of money equal to the par value of that Preferred Share plus all dividends declared and unpaid in that Preferred Share at the date of determination of the Redemption Amount. The Redemption Amount per Preferred Share shall be determined within ninety (90) days after the date the Redemption Notice was received by the Company;

"**Redemption Notice**" means that notice delivered by a holder of Preferred Shares to the Company in accordance with the provisions of Section 21.5(a) of the Company's Articles;

"**Securities Authority**" means the British Columbia Securities Commission and any other applicable provincial securities commission;

"**Subscriber**" means a subscriber for Preferred Shares;

"**Subscription Price**" means \$1.00 per Preferred Share; and

"**Tax Act**" means the Income Tax Act (Canada), R.S.C. 1985 (5th Supp.) c.11, and the regulations promulgated thereunder, as amended from time to time.

CANADIAN CURRENCY

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Net Funds

		Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering ⁽¹⁾
A.	Amount to be raised by this offering	\$0	\$150,000,000
B.	Estimated Selling Commissions and Fees	\$0	\$0
C.	Estimated Costs of the Offering (including legal, accounting and audit) ⁽²⁾	\$20,000	\$20,000
D.	Available Funds: $D = A - (B + C)$	(\$20,000)	\$149,980,000
E.	Additional sources of funding required	\$20,000 ⁽³⁾	\$0
F.	Working capital deficiency	N/A	\$0
G.	Total: $G = (D + E) - F$	\$0	\$149,980,000

Notes:

- (1) The Maximum Offering is \$150,000,000 (150,000,000 Preferred Shares). There is no Minimum Offering.
- (2) Offering costs as shown are estimated expenses (currently estimated to be \$20,000 if the Maximum Offering is achieved) of or incidental to the issue, sale and delivery of the Preferred Shares pursuant to this Offering, including, without limitation, fees and disbursements of legal counsel and accountants, printing and other administrative costs associated with marketing the Preferred Shares pursuant to this Offering Memorandum and the reasonable out-of-pocket expenses (including applicable taxes) of the Company in connection with such issue, sale and delivery.
- (3) If necessary, the Directors may lend and pay on behalf of the Company all costs incurred in connection with the preparation for and completion of the Offering, including legal and accounting fees which are estimated to be \$20,000. All costs in connection with the Offering funded by the Directors will be repaid, without interest from funds received by the Company from Subscribers or from income generated by the Company.

1.2 Use of Available Funds

The Net Subscription Proceeds will be invested primarily in Loans secured by Mortgages. Investments in such Loans will be made as set out in Item 2.2 "*The Company's Business – Investment Policies*". The Company will use its best efforts to make suitable investments of the Net Subscription Proceeds as soon as possible following each Closing.

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Investment in Mortgages, other permitted investments and related administrative expenses	\$0	\$149,980,000
ANY OTHER USE	\$0	\$0
Total:	\$0	\$149,980,000

ITEM 2 BUSINESS OF THE COMPANY AND OTHER INFORMATION AND TRANSACTIONS

2.1 Structure

The Company is a Mortgage Investment Corporation as defined in the Tax Act (defined herein as "**MIC**") and intends to continue to qualify as such. It was incorporated under the *Company Act* (British Columbia) on September 13, 1984, under the name "Ryan Mortgage Corp." and Incorporation No. BC0282545. On July 28, 2005, the Company transitioned under the new BCBCA. On May 7, 2008, the Company changed its name to "Ryan Mortgage Income Fund Inc." On October 31, 2023, the Company changed its name to "Amur Capital Income Fund Inc." The Company's registered and records office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8 and its head office is located at #310 – 10524 King George Boulevard, Surrey, British Columbia V3T 2X2.

On June 29, 2005, the Company was registered as an extra-provincial corporation in Alberta. The agent for service in Alberta is located at 4300 Bankers Hall West, 888 – 3rd Street S.W. Calgary, Alberta, T2P 5C5.

On October 4, 2012, the Company was registered as an extra-provincial corporation in Ontario.

On July 9, 2018, the Company was registered as an extra-provincial corporation in Quebec.

On November 28, 2018, the Company was registered as an extra-provincial corporation in Manitoba. The attorney for service in Manitoba is MLT Aikins LLP located at 30th Floor, 360 Main Street, Winnipeg, Manitoba, R3C 4G1.

On December 19, 2020, the Company's registration as an investment fund manager in British Columbia and as an exempt market dealer in Alberta and Ontario was suspended. On the same date, the Company's registration as an exempt market dealer in British Columbia was surrendered.

The Company does not have any subsidiaries or proposed subsidiaries.

The Company is registered to carry on business as a MIC in the Province of British Columbia. The Company's investment policies require it to conduct its operations so as to qualify as a "mortgage investment corporation" (MIC) as this term is defined under section 130.1 of the Tax Act. **The Directors of the Company intend to refuse the registration of an allotment or transfer of the Company's shares which may result in the Company ceasing to meet such qualification.**

2.2 The Company's Business

The Company

The Company is a MIC as that term is defined in section 130.1 of the Tax Act. It was incorporated for the purpose of generating a stable stream of income for investors, primarily by making Loans secured by Mortgages, thereby providing investors with an opportunity to participate indirectly in a portfolio of Mortgages.

The Tax Act provides that a MIC may invest its funds as it sees fit, provided that a MIC must not invest in Mortgages on Real Property (land and buildings) situated outside of Canada or any leasehold interest in such property, debts owing by non-resident persons unless secured by Real Property situated in Canada or shares of corporations not resident in Canada. The Tax Act also provides that at least 50% of the cost amount of a MIC's property must consist of debts secured by Mortgages or otherwise on "houses" or property included within a "housing project" (as those terms are defined by section 2 of the *National Housing Act* (Canada)) and money on deposit in a bank or credit union. No more than 25% of the cost amount of a MIC's property may be Real Property, including leasehold interests in Real Property (except for Real Property acquired by foreclosure or otherwise after default on a Mortgage or other security).

The Company invests primarily in first and second Mortgages secured by residential real estate in Canada (currently British Columbia, Alberta, Ontario, and Quebec). The Company may also invest in Mortgages secured by commercial real estate in Canada (currently British Columbia, Alberta, Ontario, and Quebec) provided that the total value of these loans does not exceed 10% of the Company's portfolio at time of funding. The loan to value of any mortgage cannot exceed 75% of the value of the property at time of funding, which is to be confirmed by appraisal, property assessment, purchase and sale agreement, realtor evaluation or a combination thereof. Appraisals are obtained prior to funding a mortgage and ordered by management at their discretion during the term of the mortgage. Appraisals are done by an independent third party.

The Company is in the business of investing in Mortgages granted as security for Loans to a variety of borrowers, including builders, developers and owners of commercial, industrial and residential real estate located primarily in the British Columbia, Ontario, Alberta and Quebec. The Company is also considering other provinces in Canada to invest in Mortgages such as Manitoba. Unlike traditional financial institutions (such as chartered banks and credit unions) the Company focuses almost exclusively on the value of the real estate owned by the borrower. To the extent that the Company's funds are not invested in Mortgages from time to time, they are held in cash deposited with a Canadian chartered bank or credit union or are invested in short term deposits, savings accounts or government guaranteed income certificates so that the Company may maintain a level of working capital for its ongoing operations considered acceptable by the Directors of the Company. Subject to limitations and restrictions applicable to MICs that are contained in the Tax Act, the Company may make other permitted investments over time, including the direct ownership of Real Property (including Real Property acquired by way of foreclosure under Mortgages).

The Company has engaged AFG to act as its agent with respect to originating Mortgage applications for Mortgage Loans in order to assist the Company in its lending decisions. The Company relies exclusively on the expertise of AFG and its wholly owned subsidiaries for a regular flow of Mortgage application investment opportunities. The Company may assign or sell mortgages to other entities in the course of its business.

The President and CEO of the Company, Mr. Kurt Wipp, is responsible for managing the Company's Mortgage investment portfolio. A mortgage brokerage services agreement dated August 1 2019, as amended by an amending agreement dated January 1, 2020 (as amended, the "**Mortgage Brokerage Services Agreement**") with AFG provides that AFG agrees to originate Mortgage applications for the Company by acting as broker and intermediary between the Company and potential borrowers, the Company has a right of first refusal on all Mortgage applications originated by Alpine Credits Limited in British Columbia, Alpine Credits Limited in Alberta, Alpine Credits Manitoba Limited, Alpine Credits Ontario Limited and Alpine Credits (Quebec) Ltd. (collectively, the "**Alpine Group**"), all of which are wholly-owned subsidiaries of AFG, and that AFG will assist in arranging and effecting the Mortgage Loans transactions between the Company and the potential borrowers as well as performing certain administrative duties for the Company (see Item 2.2 "*The Company's Business – Financial Services*").

As a MIC, the Company is allowed to deduct dividends that it pays from its income. The Company intends to pay out all of its net income and net realized capital gains as dividends within the time period specified in the Tax Act and as a result does not anticipate paying any income tax (see *Item 8 "Income Tax Consequences and RRSP/TFSA Eligibility"*).

The Company may fund its investments through equity financings or, by law, the Company may employ leverage, as permitted by applicable legislation, by issuing debt obligations up to a maximum of five (5) times its equity if at least $\frac{2}{3}$ of its equity is in Canadian residential property and three (3) times its equity if less than $\frac{2}{3}$ of its equity is in Canadian residential property.

The Company currently has an operating line of credit for up to \$310,000,000 with a Canadian chartered bank (see Item 2.7 "*Material Contracts*"). The Company intends to borrow to the extent that the Directors are satisfied that such borrowing and additional investments will increase the overall profitability of the Company without adding undue risk.

Mortgage Brokerage

The Company is registered as a Mortgage Broker with the British Columbia Financial Services Authority in accordance with the Mortgage Brokers Act.

The Office of the Registrar of Mortgage Brokers at the British Columbia Financial Services Authority regulates the Mortgage brokering and lending activities of MICs under the Mortgage Brokers Act. The Registrar and the Mortgage Brokers Act do not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation.

Nature of Projects to be Financed

The Company will invest in a diversified portfolio of Mortgages on real or immovable property which may be comprised of commercial, construction, raw land, as well as residential properties such as single-family dwellings, duplexes, townhouses, condominium units or multiple family dwellings such as apartment buildings, located in British Columbia, Alberta, Ontario and Quebec. The Company is also considering other provinces in Canada to invest in Mortgages such as Manitoba. The Company will not invest in Mortgages on property outside of Canada.

The Company's typical investment will be a residential loan with a term of two years or less, secured by either a first, second or in rare cases third Mortgage against residential property. If the term of a residential loan exceeds one year, the interest rate in years subsequent to the first year will typically be adjusted annually relative to the prime interest rate in effect at the time of adjustment. The interest rate for loans will fluctuate based on competitive market environment and Bank of Canada prime rate. The term range for 2023 was 1 to 5 years and the interest rate range was 6.99% to 19.74% respectively.

In addition, the Company will obtain standard security in respect of commercial Mortgages which, depending on the specific Mortgage, may include one or more of an assignment of rents, an assignment of insurance proceeds, an assignment of purchase agreements (on residential development projects) and a general security agreement.

Investment Policies

The Company's investment policies are consistent with the Company's Articles and all relevant legislation governing the Company. The Directors of the Company have approved the following policies:

- The Company will invest in Mortgages on real or immovable residential properties such as single-family dwellings, duplexes, townhouses, condominium units or multiple family dwellings such as apartment buildings.
- All Loans will be secured by mortgages in favour of the Company that will, prior to funding, be registered on title to the subject property.
- The Company requires a current appraisal (i.e. within the last six months) with every Mortgage application unless otherwise directed by the Directors of the Company. Each appraisal is required to be prepared by a member of the Accredited Appraisal Canadian Institute.
- Mortgage investments will be made as either term mortgages or interim construction mortgages.
- The Company will invest primarily in Mortgages on residential properties and, thereafter, up to 10% of the Company's Mortgage portfolio may be invested in Mortgages on non-residential property.
- The Company must invest a minimum of 50% of its total Mortgage portfolio in properties located in the Primary Districts.
- Unless otherwise directed by the Directors of the Company, no individual Loan investment may exceed 1.00% of the portfolio unless (i) the loan to value ratio of the Loan is less than 50%, or (ii)

the loan to value ratio of the Loan is less than 65% and the property is located in any one of the Primary Districts except for Kelowna, Kamloops, Squamish and Nanaimo.

- Unless otherwise approved by the Directors of the Company, no single investment involving one property or development, or involving several properties or developments, will exceed \$2 million.
- The initial term of each Mortgage may not exceed 60 months unless such extended term is approved by at least two (2) Directors of the Company.
- The Company may not borrow money unless approved by the Directors of the Company.

Operating Policies

The Tax Act imposes certain restrictions on MICs and on investments made by MICs, which restrictions can be summarized as follows:

- The corporation must be a Canadian corporation.
- The corporation must have at least 20 shareholders.
- No shareholder can own more than 25% of the issued shares of any class of the corporation.
- Except in limited circumstances, the corporation cannot manage or develop real property.
- The corporation cannot own shares of non-resident corporations.
- The corporation cannot hold real property located outside of Canada.
- The corporation cannot loan funds where the security is property located outside of Canada.
- More than 50% of the cost of the corporation's property must be invested in Mortgages over residential properties or deposits with a qualifying financial institution.
- No more than 25% of the cost of the corporation's property can be invested in real property, except property acquired by foreclosure.
- The corporation must not exceed certain debt-to-equity ratios, which vary depending on the percentage of the cost of property invested in residential Mortgages or on deposit with qualifying financial institutions. If less than two-thirds of the cost of the corporation's property is invested in this manner, the debt-to equity ratio may not exceed three to one. If more than two-thirds of the cost of the corporation's property is invested in this manner, then the allowable debt-to-equity ratio is five to one.

Change in Fiscal Year End

In 2020 the Company changed its fiscal period to end on December 31 instead of November 30 to better align the reporting of the Company's performance and facilitate the preparation of tax slips for its investors, which are calculated on a calendar year-end basis.

Financial Services

Pursuant to the Mortgage Brokerage Services Agreement, AFG agrees to act as the Company's agent with respect to originating Mortgage applications for Mortgage Loans in order to assist the Company in its lending decisions and provides the Company with a right of first refusal on all mortgage applications originated by the Alpine Group. AFG will act as broker and intermediary between the Company, as lender, and potential borrowers for the purpose of arranging for and effecting Mortgage Loans transactions between the Company and potential borrowers. Incidental and ancillary to the foregoing, AFG shall:

- source borrower Mortgage applications;
- speak with borrowers about Mortgages, explain the Mortgage terms and different Mortgage options, make recommendations, and review Mortgage documents and/or disclosure statements;
- assess the credit worthiness of potential borrowers on behalf of the Company;
- obtain supporting documentation and conducting credit bureau checks;
- receive Mortgage loan applications and transmit them to the Company;
- deal with the Company on behalf of the borrower in obtaining approvals and providing documentation to support a Mortgage application;
- act as intermediary between the Company and the borrower in negotiating Mortgage terms;
- convey Mortgage application decisions to the borrower;
- arrange for documentation and completion of Mortgage loan transactions;
- complete Mortgage renewals; and
- deal with all other matters that may arise in connection with Mortgage Loan transactions on an ongoing basis, including but not limited to collection and foreclosure matters.

The Company agrees to provide AFG with its lending requirements and promotional material so as to assist AFG in its direct effort to originate quality borrowers for the Company. However, under no condition may AFG: (i) represent to any potential borrower that it can guarantee a Mortgage commitment from the Company; (ii) bind or obligate the Company in any manner, or (iii) make any representation on behalf of the Company.

The Mortgage Brokerage Services Agreement has an initial term of ten years, which commenced on January 1 2020. Subsequent to the initial term, the agreement shall automatically renew for five-year periods unless either party provides written notice at least 30 calendar days prior to the end of the initial term or any renewal period, as applicable.

The Mortgage Brokerage Services Agreement may be terminated:

- at any time by mutual agreement of the parties;
- if either party commences any act of bankruptcy within the meaning of the *Bankruptcy Act* (Canada);
- upon the permanent cessation of business by either party; or
- at the discretion of a party, upon 30 days notice in the event of any breach of the terms of the agreement by the other party, including, for greater certainty, the Company's failure to pay the fees set out in the agreement.

In consideration for its services, the Company has agreed to pay AFG, pursuant to an amendment to the Mortgage Brokerage Services Agreement on January 1, 2020, an annual brokerage fee of 1.85% of the total value of the Company's outstanding Mortgage portfolio, which shall be paid in advance on a monthly basis equivalent to $\frac{1}{12}$ th of 1.85% per month (1.85% per annum) based on the value of the Mortgage portfolio as of the last day of the prior month, without any set off, compensation or deduction, unless the parties otherwise agree in writing.

In addition, AFG performs certain administrative duties for the Company, including but not limited to:

- assisting with processing and administering Mortgage Loans on behalf of and as instructed by the Company, which duties in turn include, but are not limited to, collections and payouts; and
- assisting the Company with accounting tasks.

These certain administrative duties provided by AFG to the Company are in addition to the Mortgage Brokerage Services Agreement and are provided at no charge to the Company.

The Company engaged AMUR Capital pursuant to the terms of the EMD Agreement, under which AMUR Capital has agreed to act as the Company's exempt market dealer to sell its Preferred Shares in the Provinces of Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan. Under the EMD Agreement, the Company pays AMUR Capital 0.15% of the outstanding Mortgage portfolio value on an annual basis, which amount is paid in advance on a monthly basis equivalent to $\frac{1}{12}$ th of 0.15% per month (0.15% per annum).

Each of AFG and AMUR Capital is a related party to the Company. AFG is controlled by Messrs. Brent Wipp and Kurt Wipp, each of whom are Directors, officers and shareholders of the Company. Messrs. Brent Wipp and Kurt Wipp are also indirect shareholders.

The Company engaged Finhaven on a "limited efforts", non-exclusive basis under the Finhaven Agreement to identify potential sources of capital for the Company pursuant to the terms thereof Company (see Item 2.7 "Material Contracts").

2.3 Development of the Business

The Company was incorporated on September 13, 1984, and has conducted the business of investing in Loans secured by Mortgages since inception. As at December 31, 2023, the Company has issued 558,311,214 Preferred Shares and has made Loans in the aggregate amount of \$784,250,091.

Mortgage Portfolio

As of December 31, 2023, the Company's funds were invested in 5,558 Mortgages ranging in amounts from \$915.58 to \$4,639,125.52. The weighted average interest rate of the portfolio was 11.13%% while the weighted average term of mortgages in the portfolio was approximately 14.18 months. As of March 31, 2024, mortgages with maturity in equal or less than one year represent 90.7% of the total outstanding principal of the portfolio. The Mortgage portfolio may change frequently due to Mortgage payouts (i.e. the borrower refinances, sells his/her property), new capital invested in the Company and profits earned that are not paid out in the form of dividends. The Mortgage portfolio composition as of December 31, 2023, was as follows:

Region	# of Mortgages	1st Mortgages	2nd Mortgages	3rd Mortgages	Other Mortgages ⁽¹⁾	Total Value	Average LTV ⁽²⁾
GVRD/FVRD ⁽³⁾	1,014	\$ 66,504,044	\$ 90,181,577	\$ 6,795,497	\$ 35,445,410	\$ 198,926,530	52.1%
Victoria	234	\$ 12,935,314	\$ 15,902,173	\$ 463,891	\$ 4,977,211	\$ 34,278,589	53.8%
Other BC	443	\$ 21,033,036	\$ 25,414,544	\$ 934,446	\$ 4,503,771	\$ 51,885,796	48.1%
Region	# of Mortgages	1st Mortgages	2nd Mortgages	3rd Mortgages	Other Mortgages ⁽¹⁾	Total Value	Average LTV ⁽²⁾
Edmonton	238	\$ 7,028,517	\$ 10,653,880	\$ 427,289	\$ 230,134	\$ 18,339,821	51.2%

Calgary	405	\$ 11,140,415	\$ 23,383,369	\$ 961,396	\$ 5,099,662	\$ 40,584,842	57.1%
Other Alberta	191	\$ 8,387,127	\$ 5,695,347	\$ 99,907	\$ 145,813	\$ 14,328,195	47.1%
Greater Toronto	1,225	\$ 51,917,202	\$ 122,400,781	\$ 8,989,935	\$ 9,645,550	\$ 192,953,469	54.3%
Other Ontario Urban⁽⁴⁾	641	\$ 21,112,110	\$ 45,400,438	\$ 1,660,463	\$ 3,496,218	\$ 71,669,230	53.9%
Other Ontario Rural	1,157	\$ 63,163,468	\$ 74,457,030	\$ 4,526,484	\$ 17,974,074	\$ 160,121,055	51.2%
Quebec	10	\$ 842,424	\$ 298,461	\$ 21,680	\$ 0.00	\$ 1,162,564	48.5%
Other Quebec	-	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
Totals	5,558	\$ 264,063,658	\$ 413,787,601	\$ 24,880,989	\$ 81,517,843	\$ 784,250,091	52.6%

Notes:

- (1) Other Mortgages includes inter alia mortgages. An inter alia mortgage is a mortgage that has security over two or more properties. As of December 31, 2023, the Company had approximately \$81,517,843.43 in inter alia mortgages, which are first mortgages on the properties.
- (2) LTV is the acronym for "Loan to Value". The LTV of any specific Mortgage is equal to the sum of the Company's Mortgage plus any prior Mortgages divided by the value of the property. The LTV calculations in the above table were completed at the time the Mortgages were originally funded. Thus, the above calculations are not an exact indicator of the actual LTV(s) as of December 31, 2022, as the property prices and/or Mortgage values may have changed since the time the Mortgage was originally funded.
- (3) GVRD/FVRD is the Greater Vancouver Regional District and Fraser Valley Regional District, respectively. It includes Vancouver, Surrey, Maple Ridge, Langley, New Westminster, Coquitlam, Port Coquitlam, Richmond, North Vancouver, West Vancouver, Delta, Aldergrove, Chilliwack, Abbotsford, Port Moody and Mission.
- (4) Other Ontario Urban includes Ottawa, Hamilton, London, Windsor, Kitchener-Waterloo, St. Catharines, Barrie, Kingston and Guelph.
- (5) All mortgage properties are located in Canada, no mortgages are on properties in the United States or foreign jurisdictions.

As of December 31, 2023, the position composition of the Company's portfolio was as follows:

Position	# of Mortgages	Value of Mortgages	% of Total Portfolio
First Position	1,011	\$ 264,063,658	33.67%
Second Position	4,152	\$ 413,787,601	52.76%
Third Position or Below	395	\$ 106,398,832	13.57%
Total	5,558	\$ 784,250,091	100%

As of December 31, 2023, the interest rate composition of the Company's portfolio was as follows:

Interest Rate Range	# of Mortgages	Value of Mortgages	Average LTV
Less than 7%	126	\$26,492,729	56.4%
7 to 7.99%	11	\$3,639,138	58.8%
8 to 8.99%	51	\$28,906,171	54.5%

9 to 9.99%	247	\$80,530,496	53.7%
10 to 10.99%	771	\$168,798,176	49.7%
11 to 11.99%	1,216	\$163,693,036	51.9%
12 to 12.99%	1,886	\$205,023,629	51.6%
13% and above	1,250	\$107,166,716	57.7%
TOTALS	5,558	\$784,250,091	52.6%

The Company's dividends are paid monthly and are not guaranteed. The returns will fluctuate from year to year mainly due to the Company's ability to deploy its capital and avoid losses on its Mortgage portfolio. The Company's ability to deploy its capital is influenced by the state of the Canadian private Mortgage market. The Canadian private Mortgage market is influenced by factors such as the price of real estate, interest rates, lending competition for private mortgages, employment conditions and general economic activity. The Company's 10-year return history is as follows:

Fiscal Year	Annualized Return
2013	9.30%
2014	9.15%
2015	9.05%
2016	9.28%
2017	9.70%
2018	9.84%
2019	9.92%
2020	9.79%
2021	9.17%
2022	9.15%
2023	11.08%

Beginning fiscal 2019, the Company modified its approach to distributing dividend income from annually to monthly. If an investor had remained fully vested for the fiscal year, without any additional purchases or redemption and compounded their monthly distributions, the maximum potential return would be 11.08% (2018: 9.84%). The Company's annualized rate of return of the dividends paid to the Preferred Shareholders for the fiscal year ended December 31, 2023, was 11.08% (2022: 9.15%), which resulted in a distribution of dividends of \$53,979,378 of which \$14,483,771 was paid in cash from operating activities and the remaining \$39,495,607 was reinvested in Preferred Shares through the reinvestment option.

The average annual rate of return which our shareholders receive on their investments is determined annually by our Board and confirmed by our auditor at our December 31st financial year end. The effective annual yield on adjusted share capital for our shareholders for the past 10 financial years is set out in the

above table. The rates of return are averages for all of our shareholders and may not reflect the return received by any one investor. There is no guarantee that such rates of return will continue or that investors will receive similar returns in future years.

The relationship between the Company's cash flows from operating activities and profit or loss, and its historical distributed cash can be summarized in further detail as follows:

	Cash Flow:	Accumulated for the year ended December 31, 2023	Previously completed fiscal years	
			(2022)	(2021)
A.	Cash flows from operating activities	\$61,789,361	\$40,931,244	\$34,485,861
B.	Profit or loss	\$53,979,378	\$40,280,320	\$36,522,568
C.	Actual cash distributions paid or payable relating to the period	\$14,483,771	\$7,871,341	\$7,780,614
D.	Excess (shortfall) of cash flows from operating activities over cash distributions paid (A) – (C)	\$47,305,590.00	\$33,059,903	\$26,705,247
E.	Excess (shortfall) of profit or loss over cash distributions paid (B) – (C)	\$39,495,607.00	\$32,408,979	\$28,741,954

The Company's loss provision as of December 31, 2023, was \$12,940,127 (December 31, 2021: \$10,684,849).

2.4 Long-Term Objectives

The Company's objectives subsequent to the next 12 months of the date hereof are:

- to provide the Preferred Shareholders with a return that is superior to term deposits, GICs and money market funds, with due consideration to preservation of their capital;
- to distribute income on a monthly, quarterly or annual basis;

- to maintain profitability on a sustainable basis;
- to maintain the Company's status as an MIC under the Tax Act;
- to carry on lending activities in Canada, but primarily in British Columbia, Alberta, Ontario and Quebec;
- to offer Loans to suitable borrowers who may need slightly more financing than larger institutional lenders may from time to time be willing to provide; and
- to expand the assets of the Company to a value exceeding \$700,000,000 while maintaining a minimum annualized rate of return to investors of at least the Bank of Canada prime rate plus 5.00%, while maintaining a Mortgage portfolio weighted average loan to value ratio of less than 70%.

2.5 Short-Term Objectives

The Company's business objectives for the next 12 months are to complete the offering of up to 150,000,000 Preferred Shares as set out in this Offering Memorandum and to invest the net subscription proceeds thereof in Loans secured by Mortgages. It is the intention of the Company that the net subscription proceeds of the Offering will be invested as quickly as is reasonably possible pursuant to the investment policies, to raise further equity capital and to optimize returns. The Company intends to meet the following objectives for the next 12 months after the date hereof as follows:

Actions to be taken	Target completion date or if not known, number of months to complete	Cost to complete
Raise up to \$150,000,000 to fund further investments in Mortgage Loans Provide Preferred Shareholders with sustainable income while preserving capital for distribution or re-investment by investing in Mortgages.	Since the Company has an ongoing investment program, there is no target completion date for its business plan.	Our costs to carry out our investment program generally consist of fees to: AFG pursuant to the Mortgage Brokerage Services Agreement; AMUR Capital under the EMD Agreement; and Finhaven under the Finhaven Agreement, as well as other sales or dealer fees to registered securities dealers and exempt market dealers.

2.6 Insufficient Funds

The funds available as a result of the Offering may not be sufficient to accomplish all of the Company's proposed objectives and there is no assurance that alternative financing will be available.

2.7 Material Contracts

The Company has the following material contracts:

- Mortgage Brokerage Services Agreement. The Mortgage Brokerage Services Agreement entered into between the Company and AFG. (see Item 2.2 "*The Company's Business – Financial Services*").
- Sublease Agreement. On May 1, 2015, the Company and Alpine Credits Limited entered into a sublease agreement (the "**Sublease Agreement**") pursuant to which the Company has subleased that portion of the retail and professional property under a head lease by Alpine Credits Limited and occupied by the Company. Pursuant to the Sublease Agreement, the Company pays Alpine

Credits Limited \$3,000 per month in rent. The term of the Sublease Agreement matches the term of the head lease, which expires April 30, 2025, and has a five-year renewable option.

- Credit Agreement. On April 14, 2022, the Company and five Canadian financial institutions, one of which is the administrative agent, entered into a credit agreement (the "Credit Agreement") with an initial two-year term. The Credit Agreement provides the Company with a revolving credit facility up to a maximum principal amount of \$185,000,000 (and including an uncommitted accordion feature of up to a maximum of \$50,000,000 available at the sole discretion of the lenders), as well as a swing line of credit with a credit limit capped at \$15,000,000. On December 9, 2022, the Credit Agreement was amended, and the accordion was exercised, adding a sixth Canadian financial institution and increasing the maximum principal amount to \$235,000,000 in addition to the \$15,000,000 swing line. The obligations under the Credit Agreement are secured by, among other things, a general security agreement providing a security interest over all assets of the Company and a general assignment of mortgages which augments the Company's activities and allows it to borrow at interest rates less than it receives from its mortgage investments. Any borrowings by the Company are available by way of prime rate or CDOR loans. Prime rate loans bear interest at a floating rate of the administrative agent's prime lending rate, which on March 31, 2024, was 7.20% per annum, plus 0.50% per annum. Interest is calculated daily and payable monthly in arrears. Among other covenants and conditions, the Credit Agreement requires the Company to comply with certain margin requirements and to maintain a certain minimum (i) EBITDA to interest coverage ratio, and (ii) debt to tangible net worth ratio. The Company must also report and provide financial statements and security information to the bank on a regular basis.

The objective is to realize profit from such interest rate spread, and to use the leverage to increase returns to the Company's shareholders.

As at the close of business on March 31, 2024, the Company has borrowed a total of \$224,160,062 under the credit facility made available under the Credit Agreement.

- EMD Agreement. The Company engaged AMUR Capital, a related entity, pursuant to the terms of the EMD Agreement, under which AMUR Capital has agreed to act as the Company's exempt market dealer to sell its Preferred Shares in the Provinces of Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan. Under the EMD Agreement, the Company pays AMUR Capital 0.15% of the outstanding Mortgage portfolio value on an annual basis, which amount is paid in advance on a monthly basis equivalent to 1/12th of 0.15% per month (0.15% per annum).

The EMD Agreement has an initial term of ten years, which commenced on January 1, 2020. Subsequent to the initial term, the agreement shall renew automatically for five-year periods unless either party provides written notice at least 30 calendar days prior to the end of the initial term or any renewal period, as applicable.

The EMD Agreement may be terminated:

- at any time by mutual agreement of the parties;
- if either party becomes insolvent or makes an assignment for the benefit of creditors;
- immediately, in whole or in part, to the extent required under applicable law, upon the failure of a party to obtain and keep in good standing any necessary registration, licence or other qualification in any jurisdiction required to effect the purpose of the EMD Agreement;
- immediately if a securities commission, administrator or other regulatory authority or individual having authority over the Company makes an order to cease trading the Preferred Shares.

Further, the Company has agreed to indemnify AMUR Capital and certain of its representatives and agents from any claims suffered by AMUR Capital in connection with the breach of the EMD

Agreement or its covenants by the Company, unless such claim is caused by the negligence or a breach of the covenants under the agreement by AMUR Capital.

AMUR Capital is a related party to the Company. Kurt Wipp and Brent Wipp, each of whom are Directors of the Company, are indirect 100% shareholders of AMUR Capital.

- Finhaven Agreement. The Company engaged Finhaven on a "limited effort", non-exclusive basis under the Finhaven Agreement to identify potential sources of capital for the Company pursuant to the terms thereof. Under the Finhaven Agreement, Finhaven is entitled to a cash fee (the "**Finder's Fee**") equal to 0.5% of the gross proceeds of any investments made into the Offering from sources introduced directly by Finhaven in respect of up to a maximum of \$3,000 per qualified investor and a minimum of \$500 per qualified investor, and \$750 for share purchases made via a corporation. Further, the Company shall pay any expenses incurred by Finhaven (e.g., travel, due diligence, etc.), which expenses shall be approved in advance by the Company. The Company's practice is to collect the Finder's Fee from each purchaser in connection with the purchase through retail channels of Preferred Shares in the Province of Ontario.

The Finhaven Agreement has an initial term of one year, with a "tail period" of an additional twelve months, during which period the Finder's Fee will remain due and payable to Finhaven in respect of introductions made to the Company by Finhaven during the initial term.

The Finhaven Agreement may be terminated at any time by either party by giving notice in writing to the other party. Both parties have agreed to indemnify the other pursuant to the terms of the agreement for any damages caused by or arising directly or indirectly from the matters contemplated by the agreement.

ITEM 3 COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES

3.1 Compensation and Securities Held

The Company

The following table presents the information regarding compensation and securities held for (i) each director, officer and promoter of the Company, (ii) each person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, 10% or more of any class of voting securities of the Company, and (iii) any related party not specified in (i) or (ii), above, that received compensation in the most recently completed financial year or is expected by the Company to receive compensation in the current financial year, as at December 31, 2023.

Full legal name and place of residence or, if not an individual, jurisdiction of organization ⁽¹⁾	Position held and date position was obtained	Compensation paid by the Company or related party in the most recently completed financial year and the compensation expected to be paid in the current financial year	Number, type and percentage of securities of the Company held ⁽²⁾ after completion of minimum offering	Number, type and percentage of securities of the Company held ⁽²⁾ after completion of maximum offering
Kurt Wipp New Westminster, B.C.	Director of the Company (July 7, 2005) President & CEO of the Company (September 14, 2011)	(i) Nil ⁽³⁾ (ii) Nil ⁽³⁾	6,385,503 Preferred Shares ⁽⁴⁾ (1.14%)	6,385,503 Preferred Shares ⁽⁴⁾ (0.90%)
Brent Wipp Langley, B.C.	Director of the Company (September 20, 1984)	(i) Nil ⁽⁵⁾ (ii) Nil ⁽⁵⁾	10,139,147 Preferred Shares ⁽⁶⁾ (1.82%)	10,139,147 Preferred Shares ⁽⁶⁾ (1.43%)
Kevin Budd West Vancouver, B.C.	Director of the Company (August 2, 2005)	(i) \$40,000 (ii) \$40,000	2,231,472 Preferred Shares ⁽⁷⁾ (0.40%)	2,231,472 Preferred Shares (0.32%)
Wade Nesmith Vancouver, B.C.	Director of the Company (April 7, 2021)	(i) \$40,000 (ii) \$40,000	1,031,723 Preferred Shares ⁽⁸⁾ (0.18%)	1,031,723 Preferred Shares (0.15%)
Stephen Anderson North Vancouver, B.C.	CFO of the Company (October 4, 2018)	(i) Nil ⁽⁹⁾ (ii) Nil ⁽⁹⁾	Nil	Nil

Notes:

- (1) Information as to municipality of residence has been provided by the individual Directors, officers and principal holders.
- (2) Directly or indirectly.
- (3) Kurt Wipp receives no compensation directly from the Company. As an indirect shareholder of AFG, Kurt Wipp receives compensation in the form of dividends distributed by AFG.
- (4) This figure includes 779,156 Preferred Shares held directly by Kurt Wipp and 5,606,347 Preferred Shares held by Rearden Capital Group Inc., which is controlled by Kurt Wipp.
- (5) Brent Wipp receives no compensation directly from the Company. As an indirect shareholder of AFG, Brent Wipp receives compensation in the form of dividends distributed by AFG.
- (6) This figure includes 6,192,967 Preferred Shares held directly by Brent Wipp and 3,946,180 Preferred Shares held by BLW Capital Corp., which is controlled by Brent Wipp.
- (7) This figure includes 2,231,472 Preferred Shares held directly by Kevin Budd.
- (8) This figure includes 1,031,723 Preferred Shares held directly by Wade Nesmith and Joint Spousal Trust.
- (9) Stephen Anderson is employed and compensated by AFG, and acts as Chief Financial Officer of the Company as part of such employment.

As of December 31, 2023, the Directors and officers of the Company, as a group, own 19,787,845 Preferred Shares representing 3.54% of the issued and outstanding Preferred Shares of the Company.

3.2 Management Experience

The following table sets out the principal occupations of the Directors and senior officers of the Company over the past five years and any relevant experience in a business similar to the Company's:

Full Name	Legal	Principal occupation and description of experience associated with the occupation
Kurt Wipp Director, President & Chief Executive Officer of the Company		Kurt Wipp is currently the President and CEO of the Company and has been a director since July 2005. Mr. K. Wipp in his position as President and CEO of the Company is responsible for all investment management and oversees all of the Company's portfolio management, investor relations, regulatory affairs and corporate compliance. Since 2005, Mr. K. Wipp has been one of two managing directors of The Larson Financial Group which is a private holding company for multiple subsidiaries involved in mortgage investments, underwriting, origination and administration. In 2005, Mr. K. Wipp became a director of Alpine Credits Limited. Mr. K. Wipp has over 25 years of experience in finance in roles involving equity analysis, private equity investments, structured finance, corporate strategy, international finance and board of director representation. In addition, from 2002 to 2005, Mr. K. Wipp was employed as a private equity manager for RWE Trading in London, United Kingdom. Mr. K. Wipp has a Master of Business Administration (MBA) from the University of British Columbia with a focus on finance and a Joint Honors degree in Economics and Business from Simon Fraser University. Mr. K. Wipp is a registered mortgage broker in British Columbia.
Brent Wipp Director of the Company		Brent Wipp has been a director of the Company since 1984, and formerly served as the Company's Chief Financial Officer until October 4, 2018. Since 2004, Mr. B. Wipp has been one of two managing directors of The Larson Financial Group which is a private holding company for multiple subsidiaries involved in mortgage investments, underwriting, origination and administration. In June 2010, Mr. B. Wipp became one of three managing directors of Alpine Credits Limited where he oversees mortgage origination and underwriting policies. Mr. B. Wipp has been involved in the residential mortgage loan business for over 30 years. Mr. B. Wipp is a registered mortgage broker in both British Columbia and Alberta and has a Diploma of Technology from Selkirk College.
Kevin Budd Director of the Company		Kevin Budd has been a director of the Company since October 2005. Mr. Budd has been the President and a director of Monashee Capital Corp. since January 2003 which is a mergers and acquisitions and corporate finance advisory company. Prior to 2003, Mr. Budd was a Senior Officer and Vice President of Methanex Corporation, a global petrochemical organization. Mr. Budd has a Master of Business Administration (MBA) through studies at the University of British Columbia and the London Business School (UK). Mr. Budd received an honors degree in Mechanical Engineering from the University of Waterloo. Mr. Budd completed his CSI Partners, Directors and Officers designation in 2014.
Wade Nesmith Director of the Company		Wade Nesmith has been a director of the Company since April 7, 2021. Mr. Nesmith co-founded Creation Capital Corp. in 2018 and led that company through its acquisition of Greenlane Biogas in 2019, with the resulting company, Greenlane Renewables Inc. (" Greenlane "), being listed on the TSX Venture Exchange. Greenlane is now listed on the main board of the TSX and Mr. Nesmith chairs Greenlane. Mr. Nesmith founded Primero Mining Corp. in 2008, acting as CEO until 2010 and Chairman until 2018. He was a founding Board member of Westport Innovations Inc. and Silver Wheaton Corp. and was previously Superintendent of Brokers (Executive Director) of the British Columbia Securities Commission (1989 – 1992), and then a senior partner, specializing in securities law with Lang Michener LLP (now McMillan LLP) (1993 to 1998). He has been a director of more than 20 companies since 1993. Mr. Nesmith obtained his LLB from Osgoode Hall Law School.

Full Name	Legal	Principal occupation and description of experience associated with the occupation
Stephen Anderson Chief Financial Officer of the Company		Stephen Anderson has been the Chief Financial Officer of the Company since October 4, 2018. Mr. Anderson joined the Company with over 20 years of professional experience working for both public and private companies including Westport Innovations Inc., The Jim Pattison Group and KPMG LLP. Mr. Anderson has an MBA from UBC along with a Chartered Professional Accounting Designation (CPA, CA) with over 5 years of auditing experience. Mr. Anderson oversees all accounting, financial reporting, IT, cash flow management and financial management of the Company. Outside of work, Mr. Anderson enjoys time with friends, trips with his family and a round of golf.

3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

(a) During the last 10 years, there has been no penalty or sanction imposed by a court or a regulatory body relating to a contravention of securities legislation in effect or order restricting trading in securities in effect for a period of more than 30 consecutive days, against:

- (i) a Director, executive officer or control person of the Company; or
- (ii) an issuer of which a person referred to in paragraph (i) immediately above was a director, executive officer or control person at that time.

A routine examination of the Company as an exempt market dealer and investment fund manager was conducted by the British Columbia Securities Commission (the "BCSC") in the first half of 2018 and the results of such examination have been referred to the enforcement division of the BCSC, resulting in discussions of the contents of the draft examination report in early December 2018. The BCSC advised in mid-December 2018 that it had not yet come to a conclusion. There have been no substantive discussions of the subject since that time. Management of the Company believes that the discussions, if and when they resume, will not result in any material adverse effects to the Company. The Company ceased being registered pursuant to National Instrument 31-103 – *Registration Requirements and Exemption* as an investment fund manager in British Columbia, and as an exempt market dealer in British Columbia, Alberta and Ontario, on December 19, 2020.

In late 2022, a routine examination of AMUR Capital was conducted by the BCSC. The relevant period of the examination was between January and August of 2022. Through the exam, the BCSC looked at items from 2020/2021 as well. In mid-May 2023, the results of the examination from the BCSC were received with no major deficiencies. Also, any deficiencies noted from the examination have all been corrected and reviewed by the BCSC.

(b) There has been no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, which has been in effect during the last 10 years with regard to any:

- (i) a Director, executive officer or control person of the Company; or
- (ii) issuer of which a person referred to in paragraph (i) immediately above was a director, executive officer or control person at that time.

(c) All Directors, executive officers and control persons of the Company have never pled guilty to or been found guilty of a summary conviction or indictable offense under the Criminal Code, a quasi-criminal offence¹ in any jurisdiction of Canada or a foreign jurisdiction, a misdemeanour or felony

¹ The term "quasi-criminal offence" includes offences under tax, immigration or money laundering legislation.

under the criminal legislation of the United States of America, or any state or territory of the United States of America or an offence under the criminal legislation of any other foreign jurisdiction.

3.4 Certain Loans

Other than disclosed above under Item 2.7 "*Material Contracts*", the Company presently has no outstanding loans or debentures. There are no debentures or loans due to or from the Directors, management, promoters or principal holders of the Company.

ITEM 4 CAPITAL STRUCTURE

4.1 Securities Except for Debt Securities

The following are the details of the capitalization of the Company at March 31, 2024:

Description of security ⁽¹⁾	Number authorized to be issued	Price per Security	Number outstanding as at March 31, 2024	Number Outstanding after minimum offering	Number outstanding after maximum offering
Common Shares	Unlimited	par value of \$1.00/share	0	0	0
Preferred Shares ⁽²⁾	Unlimited	par value of \$1.00/share	578,468,407 ⁽³⁾	578,468,407 ⁽⁴⁾	678,468,407 ⁽⁵⁾

Notes:

- (1) Please refer to Item 5 "*Securities Offered*" for more details regarding the material terms of the Preferred Shares.
- (2) Complete details of the attributes and characteristics of the Preferred Shares are set forth under the heading "*Terms of Preferred Shares*".
- (3) The Preferred Shares were issued at a price of \$1.00 per Preferred Share.
- (4) Assuming a minimum Offering of nil Preferred Shares.
- (5) Assuming a maximum Offering of 150,000,000 Preferred Shares.

4.2 Long-Term Debt

The Company presently has no long-term debt. However, the Company maintains a credit facility with six Canadian financial institutions secured by a general security agreement and a general assignment of the Company's Mortgages. See Item 2.7 "*Material Contracts*" for further details.

4.3 Prior Sales

Within the 12 months before the date of the offering memorandum, the Company has issued the following Preferred Shares:

Date of Issuance	Type of security issued	Number of Securities Issued	Price per Security	Total Funds Received
Apr-23	Preferred Shares	5,552,092	\$1.00	\$5,552,092
May-23	Preferred Shares	10,741,071	\$1.00	\$10,741,071
Jun-23	Preferred Shares	10,116,766	\$1.00	\$10,116,766
Jul-23	Preferred Shares	6,665,149	\$1.00	\$6,665,149
Aug-23	Preferred Shares	8,903,209	\$1.00	\$8,903,209
Sep-23	Preferred Shares	6,477,520	\$1.00	\$6,477,520
Oct-23	Preferred Shares	5,273,484	\$1.00	\$5,273,484

Date of Issuance	Type of security issued	Number of Securities Issued	Price per Security	Total Funds Received
Nov-23	Preferred Shares	3,081,431	\$1.00	\$3,081,431
Dec-23	Preferred Shares	9,854,463	\$1.00	\$9,854,463
Jan-24	Preferred Shares	3,307,138	\$1.00	\$3,307,138
Feb-24	Preferred Shares	5,962,040	\$1.00	\$5,962,040
Mar-24	Preferred Shares	11,999,169	\$1.00	\$11,999,169
Total		87,933,532		\$87,933,532

During its most recently completed financial year ended December 31, 2023, the Company received requests to redeem 43,155,388 Preferred Shares. In addition, subsequent to the fiscal year end December 31, 2023, the company received 9,945,021 Preferred Shares. The company honoured all of the redemptions and redeemed an aggregate of 53,100,409 Preferred Shares. The Company used funds available from current operations and proceeds from the issuance of Preferred Shares to honor these redemptions.

During the financial year ended December 31, 2022, the Company received requests to redeem 11,663,991 Preferred Shares. In addition, subsequent to the fiscal year end December 31, 2022, the company received 8,720,092 Preferred Shares. The company honoured all of the redemptions and redeemed an aggregate of 20,384,083 Preferred Shares. The Company used funds available from current operations and proceeds from the issuance of Preferred Shares to honor these redemptions.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Preferred Shares

The Company is offering up to 150,000,000 Preferred Shares at \$1.00 per Preferred Share. There is no minimum amount of Preferred Shares for which a Subscriber must subscribe.

AMUR Capital, a related entity, is registered under the securities laws of the Provinces of Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan to act as the Company's exempt market dealer to sell its Preferred Shares in those jurisdictions pursuant to exemptions from the prospectus requirements under the terms of the EMD Agreement. In addition, the Company has engaged Finhaven on a "limited efforts" basis under the terms of the Finhaven Agreement to identify potential sources of capital for the Company pursuant to the terms thereof. See Item 2.7 "*Material Contracts*".

In New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Yukon, the Company's Preferred Shares will be sold by CIRO dealers who will charge their applicable firm advisory fee to their clients in connection with the purchase of Preferred Shares.

The Preferred Shares have a par value of \$1.00 and have the following material terms:

Voting

Preferred Shareholders are entitled to receive notice of, attend and vote at any general meeting of the Company and to cast one vote for each Preferred Share held on the applicable record date in respect of any matter put to vote at such a meeting.

Dividends

Subject to the terms of the Articles of the Company, the holders of the Preferred Shares shall be entitled to receive dividends as determined by the Company on a monthly, quarterly or annual basis. The holder of Preferred Shares must be a holder on the last day of the period for which the Company determines to declare dividends (whether month-end, quarter-end or fiscal year end) in order to be entitled to receive any dividend declared by the Company for that period. The amount of dividends declared and paid by the

Company shall not exceed the amount that pursuant to clause 130.1(1)(a)(i) of the Tax Act is deductible in computing the Company's income for the year and up to twice the amount that pursuant to clause 130.1(1)(a)(ii) of the Tax Act is deductible in computing the Company's income for the year.

Liquidation or Winding Up

The holders of the Preferred Shares shall, on a winding up or liquidation of the Company, be entitled to receive a sum equal to the par value of each Preferred Share held together with all dividends declared and unpaid thereon in priority to any distribution to the holders of any other shares in the capital of the Company. Once such prior distribution has been made to the holders of the Preferred Shares, and once a distribution equal to the par value of each Common Share issued and outstanding (of which there are currently nil issued and outstanding) has been made to the holders of the Common Shares in accordance with Section 29.3 of the Company's Articles, the holders of the Preferred Shares shall be entitled to participate equally with the holders of the Common Shares in any further distribution of the assets of the Company pro rata in accordance with the number of Preferred Shares held.

Rights of Redemption by the Company

The Company may in the manner hereinafter provided in Section 28.4 of the Company's Articles and subject to the provisions of the BCBCA redeem a Preferred Share upon payment to the holder thereof a sum equal to the Redemption Amount. When the Company proposes to redeem some but not all of the outstanding Preferred Shares, the Directors shall have the absolute discretion to determine the Preferred Shares to be redeemed, and there shall be no requirement of the Company to make such redemption pro rata among every member who holds Preferred Shares.

Before redeeming any Preferred Shares, the Company shall mail to each person who is a registered holder of shares to be redeemed, notice of the intention of the Company to redeem such shares held by such registered holder. Such notice shall be mailed by ordinary prepaid post, addressed to the last address of such holder as it appears on the books of the Company, or in the event of the address of any such holder not appearing on the books of the Company, then to the last known address of such holder, at least fifteen (15) days before the date specified for redemption. Such notice shall set out the Redemption Price being the Redemption Amount multiplied by the number of Preferred Shares to be redeemed, the date on which redemption is to take place and, if part only of the shares held by the person to whom it is addressed are to be redeemed, the number of shares so to be redeemed. On and after the date so specified for redemption, the Company shall pay or cause to be paid the Redemption Price to the registered holder of the shares to be redeemed on presentation and surrender of the certificates for the shares so called for redemption at the registered office of the Company or at such other place or places as may be specified in such notice, and, upon receipt, the certificates for such shares shall thereupon be cancelled, and the shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Company. From and after the date specified for redemption in such notice, the holders of such shares called for redemption shall cease to be entitled to dividends and shall not be entitled to any other rights in respect to such shares, except to receive the Redemption Price, unless payment of the Redemption Price shall not be made by the Company in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unimpaired. On or before the date specified for redemption, the Company shall have the right to deposit in a special account with any chartered bank or trust company in Canada named in the notice of redemption, the Redemption Price of the shares called for redemption, without interest, payable to or to the order of the respective holders of such shares called for redemption upon presentation and surrender of the certificates representing the same and, upon such deposit being made, the shares in respect of which such deposit shall have been made shall be redeemed and the rights of the several holders thereof, after such deposit, shall be limited to receiving out of the monies so deposited, without interest, the Redemption Price applicable to their respective shares against presentation and surrender of the certificates representing such shares.

Mandatory Redemption on Death of Owner

Upon the death of an owner of Preferred Shares, the Company will, within twelve (12) months after the end of the month in which such death occurred, and subject to the provisions of the BCBCA, redeem all the Preferred Shares owned by such owner and his or her RRSP/RRIF on the date of death, by paying to the

holder(s) thereof a sum of money equal to the par value of the Preferred Shares plus all dividends declared and unpaid on such Preferred Shares calculated as of the end of the month previous to the month in which such death occurred.

Rights of Redemption by the Shareholder

- (a) At any time, a holder of Preferred Shares may, subject to the provisions of the BCBCA, give to the Company irrevocable notice that he wishes the Company to redeem pursuant to the provisions of Section 28.6 of the Company's Articles some or all of the Preferred Shares owned by him and some or all of the Preferred Shares, if any, owned by his deferred plans. The Redemption Notice shall be sent by registered mail or delivered to the registered office of the Company. Within **ninety (90) days** after the Redemption Notice was received, the Company shall, subject to the provisions of subparagraph (c) below, redeem the Preferred Shares specified in the Redemption Notice by paying to the holder of the Preferred Shares upon surrender of the Share Certificates endorsed in bearer form representing the shares to be redeemed, in accordance with the instructions contained in the Redemption Notice, a sum of money equal to the product of the Redemption Amount, multiplied by the Preferred Shares specified in the Redemption Notice.
- (b) A redemption in accordance with the provisions of sub-paragraph (a) above shall only be effected by the Company if:
 - (i) The Company is not insolvent at the time that the redemption is to be effected and if the redemption would not render the Company insolvent, and
 - (ii) In the opinion of the Directors the redemption would not cause the Company to become disqualified as a MIC as defined pursuant to the Tax Act.

A valid Redemption Notice may not be withdrawn and a holder of Preferred Shares who is a Director and who gives a Redemption Notice to the Company to redeem all of the Shares owned by him or his deferred plan shall be deemed to have resigned as a Director of the Company on the date such Redemption Notice is received by the Company.

- (c) Notwithstanding the provisions of sub-paragraph (a) above, the Directors may determine, in their absolute discretion, that the Company, shall not in any one fiscal year redeem more than five percent (5%) of the number of issued and outstanding Preferred Shares. In the event of such determination, the Directors shall, by resolution, determine the Preferred Shares to be redeemed in that fiscal year by the dates the Redemption Notices were received by the Company, with the Preferred Shares set out in the Redemption Notices in the possession of the Company the longer time being redeemed prior to the Preferred Shares set out in the Redemption Notices in the possession of the Company the shorter time.
- (d) Upon payment in full of the Redemption Amount being made by the Company, the Preferred Shares specified in the Redemption Notice shall be redeemed and the certificate representing such shares shall be cancelled. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the holder. From and after the date of delivery of the Redemption Notice, the holder of the Preferred Shares specified for redemption in the Redemption Notice shall continue to be entitled to dividends and shall continue to be entitled to any other rights in respect of such shares until payment in full of the Redemption Amount, at which time all rights in respect of such shares shall become null and void. If payment in full of the Redemption Amount shall not be made by the Company, the rights of the holder of such shares shall remain unimpaired.

In addition to the above restrictions on redemption contained in the Company's Articles, pursuant to the Credit Agreement, the Company is unable to redeem any Preferred Shares if a default is then existing under the Credit Agreement or would occur as a result of such redemption. There are also restrictions on the aggregate value of the shares that the Company is allowed to redeem. See Item 2.7 "*Material Contracts*". This restriction in the Credit Agreement has not prevented the Company from honouring redemptions in the past.

Inspection of Documents

In accordance with section 46(3) of the BCBCA, a Preferred Shareholder is entitled to examine certain records that the Company is required to keep under section 42 of the BCBCA, including but not limited to the following (if and as applicable): certificate of incorporation, central securities register, register of directors, minutes of every meeting of shareholders, copies of each consent resolution of shareholders, copies of any entered orders of the BC Supreme Court made in respect of the Company, copies of any order made by the executive director of the British Columbia Securities Commission under section 91 of the BCBCA, among other things.

Further, any Preferred Shareholder who wishes to view copies of the material agreements set forth in Item 2.7 "*Material Contracts*" may be permitted to do so by the Company at its head office during regular business hours, upon advance notice to the Company at the contact information set forth on the cover page hereof and provided that to do so would not be prejudicial to the Company's interests or a breach of the terms of any such material agreements.

5.2 Subscription Procedure

The Preferred Shares are being offered for sale in the Provinces and Territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon, pursuant to applicable securities legislation. The Preferred Shares are conditionally offered if, as and when subscriptions are accepted by the Company and subject to prior sale. Subscriptions for Preferred Shares will be received by the Company 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 Company may terminate this offering at any time. Closings may occur from time to time as determined by the Company.

Closings may occur from time to time as determined by the Company provided that such closings will occur no earlier than two (2) Business Days after a subscription is received by the Company and no later than thirty (30) calendar days after the Company has received a subscription.

There is no minimum subscription amount an investor must invest.

Subscriptions may be sent to the Company at its principal office or such other address as specified by the Company by courier or telecommunication facilities.

The subscription price is payable upon subscription pursuant to the terms of the applicable subscription agreement(s), by certified cheque or bank draft in the amount of \$1.00 per Preferred Share subscribed for, payable to "Amur Capital Income Fund Inc." No financing of the subscription price will be provided by the Company.

Each prospective and qualified investor who desires to subscribe for Preferred Shares must:

- (a) complete and sign the form of subscription agreement prescribed by the Company from time to time (the "**Subscription Agreement**") specifying the number of Preferred Shares being subscribed for (the Company reserves the right to use different forms of Subscription Agreements for different investors);
- (b) complete and sign two copies of the Form 45- 106F4 — Risk Acknowledgement in the form attached to the Subscription Agreement;
- (c) if the investor is an "Accredited Investor" as defined in NI 45-106, complete and sign the applicable accredited investor exhibits and appendices attached to the Subscription Agreement;
- (d) deliver payment of the subscription price for the Preferred Shares subscribed for to the Company by certified cheque or bank draft acceptable to the Company; and

- (e) deliver to the Company the Subscription Agreement, Risk Acknowledgment and any other forms, declarations and documents as may be required by the Company to complete the subscription.

The Company will hold the subscription amount in trust until midnight on the second Business Day after the day on which the signed Subscription Agreement is received. The Company will return all consideration to the subscriber if it exercises the right to cancel the Subscription Agreement within the prescribed time.

Upon acceptance, the subscription price for the Preferred Shares will be deposited in a designated bank account. Upon the Preferred Shares having been issued, the subscription price will be made available to the Company for use in its business as set out in this Offering Memorandum. Confirmation of the acceptance of a subscription will be forwarded by the Company to the subscriber.

The Company is not obligated to accept any subscriptions, and will reject any subscription which the Company considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the Company will notify the investor and will return to the subscriber the subscription funds comprising such subscription, without interest.

The Preferred Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and subject to certain exceptions, may not be offered or sold in the United States.

Qualified Investors

The Company is offering for sale 150,000,000 Preferred Shares on a continuous basis in the Provinces and Territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon, by way of private placement, which Preferred Shares must be sold through a registered securities dealer or an exempt market dealer.

The offering is being conducted pursuant to the exemptions from the prospectus requirements afforded by Sections 2.9, 2.3, 2.5 and/or 2.10 of NI 45-106.

- The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a risk acknowledgement in the prescribed form.
- The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors purchasing as principal and who are "Accredited Investors" as defined in NI 45-106.
- The exemption pursuant to Section 2.5 of NI 45-106 is available for distributions to investors purchasing as principal who are "family, friends and business associates" as set out in Section 2.5 of NI 45-106.
- The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to investors who are not individuals and who are purchasing as principal and acquiring Preferred Shares with an acquisition cost to the Subscriber of not less than \$150,000 paid in cash at the time of Closing as long as the investor was not created or used solely to purchase or hold the Preferred Shares in reliance on this exemption.

The foregoing exemptions relieve the Company from the provisions of the applicable securities laws in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon which otherwise would require the Company to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Preferred Shares will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

Trading and Resale Restrictions

This offering of Preferred Shares is made only on a private placement basis to investors who are eligible to purchase on an exempt basis under, and subject to compliance with, applicable securities laws. **There is no market for the Preferred Shares. The transferability of the Preferred Shares will also be subject to resale restrictions under applicable securities laws.** The Company will be entitled to require and may require, as a condition of allowing any transfer of any Preferred Share, the transferor or transferee, at their expense, to furnish to the Company evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the Company) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

The Company is not a reporting issuer in any of the provinces or territories of Canada and does not intend to become a reporting issuer in any province or territory of Canada. The Preferred Shares will be subject to resale restrictions under applicable securities laws which restrict the transfer of Preferred Shares. Notwithstanding such resale restrictions, and subject to approval by the Company, investors will be able to transfer Preferred Shares to another person pursuant to another exemption from the prospectus and registration requirements of applicable securities laws, or pursuant to an order permitting such trade granted by applicable securities regulatory authorities.

This Offering Memorandum and all subscription documents should be reviewed by prospective Subscribers and their professional advisers prior to subscribing for Preferred Shares.

ITEM 6 REPURCHASE REQUESTS

With respect to the Preferred Shares, the following redemption requests have been received by the Company in the two most recently completed financial years:

Description of security	Date of end of financial year	Number of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the year	Number of securities repurchased during the year	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year
Preferred Shares	December 31, 2022	500,000	11,667,752	11,667,752	\$1.00	Working Capital	540,000
Preferred Shares	December 31, 2023	540,000	43,155,388	43,155,388	\$1.00	Working Capital	5,797,018

For the period after the end of the Company's most recently completed financial year and up to as of March 31, 2024, the following redemption requests have been received by the Company:

Description of security	Beginning and end dates of the period	Number of securities with outstanding repurchase requests on the first day of the period	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the period
Preferred Shares	January 1, 2024 – March 31, 2024	5,797,018	9,945,021	9,945,021	\$1.00	Working Capital	2,978,703

ITEM 7 CERTAIN DIVIDENDS OR DISTRIBUTIONS

There have not been any dividends or distributions that exceeded cash flow.

ITEM 8 INCOME TAX CONSEQUENCES AND RRSP/TFSA ELIGIBILITY

Caution

Subscribers should consult with their own tax advisor regarding the income tax consequences of acquiring, holding and disposing of the Preferred Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

8.1 General

In the opinion of management of the Company, the following sets out a summary of the principal Canadian federal income tax consequences of acquiring, holding and disposing of the Preferred Shares by a Subscriber who, at all relevant times, is a resident of Canada, deals with the Company at arm's length, and who acquires and holds the Preferred Shares as capital property. Subscribers to whom the Preferred Shares might not constitute capital property may elect, in certain circumstances, to have such property treated as capital property by making the election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to any Preferred Shareholder which is a "financial institution" as defined in section 142.2 of the Tax Act, or to any holder of Preferred Shares an interest in which is a "tax shelter investment" for the purposes of the Tax Act.

This summary is based upon the current provisions of the Tax Act, the regulations made under the Tax Act (the "**Tax Regulations**"), all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum and the current published administrative practices of Canada Revenue Agency (the "**CRA**"). This summary assumes that all such tax proposals will be enacted as currently proposed but does not take into account or anticipate any other changes in law whether by legislative, government or judicial action and does not take into account tax legislation or considerations of any province, territory or foreign jurisdiction.

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you.

The summary contained in this section is of a general nature only and is not exhaustive of all possible Canadian federal income tax consequences. It is not intended to be and should not be interpreted as legal or tax advice to any particular subscriber. You should consult with your own tax advisor regarding the

income tax consequences to you of acquiring, holding and disposing of the Preferred Shares including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

8.2 Status as a Mortgage Investment Company

The income tax consequences are a material aspect of the Preferred Shares being offered pursuant to this Offering Memorandum. The following is a summary prepared by the Company's auditor, MNP LLP, of the principal Canadian federal income tax considerations generally applicable, as of the date of this Offering Memorandum, to a subscriber pursuant to the Offering. This summary is applicable only to a person who subscribes, as principal, for Preferred Shares pursuant to the terms of this Offering Memorandum, who is a resident of Canada for the purposes of the Tax Act, who holds their interest in the Company as capital property and deals at arm's length with and is not affiliated with the Company or AFG.

This summary is based upon the current provisions of the Tax Act, the Regulations, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date of this Offering Memorandum, and the current published administrative practices and policies of the CRA. Except as described in the immediately preceding sentence, this summary does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action or decision. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations. No ruling has been sought from the CRA as to the tax position of the Company or its shareholders.

This summary is of a general nature only and is not intended, nor should it be construed, to be legal or tax advice to any particular prospective investor. The income and other tax consequences to a subscriber of acquiring, holding or disposing of Preferred Shares in the Company vary according to the status of the subscriber, the province in which the subscriber resides or carries on business and the subscriber's own particular circumstances. Each subscriber should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of acquiring, holding and disposing of Preferred Shares in the Company based on such subscriber's own particular circumstances.

(a) Scheme of Provisions

The Tax Act contains a number of provisions that enable investors to "pool" their funds through investing in special corporations which are treated in a manner that avoids the two-tiered taxation normally applicable to shareholders of a corporation in respect of distributions of that corporation's profits. This result is achieved by effectively treating these special corporations as a conduit so that an investor is put in the same position from an income tax perspective as if the corporation's investment had been made directly by the investor. A MIC is one of these special types of corporations.

(b) Definition of a MIC

A number of requirements must have been met throughout the year in order for a corporation to qualify as a MIC under the Tax Act for that year. If the following requirements are met throughout a particular year, a corporation will qualify for MIC status that year:

- (i) The corporation must have been a Canadian corporation, which generally means a corporation incorporated and resident in Canada.
- (ii) The corporation's only undertaking was the "investing of funds of the corporation". The corporation cannot have managed or developed any real property.
- (iii) At least 50% of the "cost amount", as defined in the Tax Act, to the corporation of all of its property must have consisted of the corporation's money, debts owing to the corporation that were secured on certain specified residential properties, and any deposit standing to the corporation's credit in the records of a bank or other certain specified financial institutions.

- (iv) The "cost amount" to the corporation of all of its real property including leasehold interest in such property, other than real property acquired by foreclosure or otherwise after default made on a mortgage, hypothecation or agreement for sale of real property, must not have exceeded 25% of the "cost amount" to the corporation of all of its property. The limit is designed to ensure that the primary intention of the corporation's investment was directed towards residential mortgages.
- (v) None of the property of the corporation consists of debts owing to the corporation that were secured on real property situated outside Canada, debts owing to the corporation by non-resident persons unless secured on real property situated in Canada, shares of the capital stock of corporations not resident in Canada, real property situated outside Canada, or any leasehold interest in real property situated outside Canada.
- (vi) The number of shareholders of the corporation was not less than 20, and no one shareholder is a "specified shareholder" of the corporation, as that term is defined in 248(1) of the Tax Act and modified by paragraph 130.1(6)(d) of the Tax Act, which generally means no one shareholder, alone or together with the person's spouse, children under the age of 18, and other related parties, held more than 25% of the issued shares of any class of the capital stock of the corporation. For the purposes of this requirement, a registered pension plan or a deferred profit-sharing plan is counted as four shareholders. A trust governed by a registered retirement savings plan is counted as one shareholder.
- (vii) Any holders of preferred shares (as defined in the Tax Act) of the corporation must have the right after payment to them of their dividends, and payment of dividends in a like amount per share to the holders of common shares of the corporation, to participate *pari passu* with the holders of the common shares in any further payment of dividends.

A common share is defined as a share, the holder of which is not precluded on the reduction or redemption of the capital stock from participating in the assets of the corporation beyond the amount paid thereon plus a fixed premium and a defined rate of dividend.

- (viii) The "liabilities" of a corporation (all obligations of a corporation to pay an amount outstanding at that time) at any time in the year must not exceed three times the excess of the "cost amount" to a corporation of all of its property over such liabilities, if at any time in the year the "cost amount" to a corporation of the properties referred to above under subheading (iii) "50% Asset Test" is less than two-thirds of the "cost amount" to a corporation of its property. However, where any time in the year the "cost amount" to a corporation of the properties referred to above under subheading (iii) "50% Asset Test" is equal to two-thirds or more of the "cost amount" to a corporation of all of its property, the liabilities of a corporation must not exceed five times the excess of the "cost amount" to a corporation of all of its property over such liabilities. In summary, the borrowing by a corporation is restricted to a maximum of three times its equity capital unless at least two-thirds of the book value of its investments are mortgages secured on Canadian residential property, the corporation's money, and specified deposits, in which case the maximum borrowing is five times its equity capital.

(c) **Taxation of Issuer**

This discussion, and the discussion that follows under subsequent headings, is based on the assumption that the Company qualifies as a MIC under the Tax Act at all relevant times. A MIC, as a general rule, is subject to tax on the same basis as any Canadian public corporation. However, special rules relating to a MIC enable it to reduce its federal taxable income in the year if, during the year or within 90 days after the end of the year, it distributed all of its capital gains arising in the year by way of "capital gains dividends" and all of its other income by way of taxable dividends. More specifically, the Company is entitled to deduct from its federal taxable income the total of:

- (i) All taxable dividends, other than capital gains dividends, paid by the corporation during the year (to the extent not deductible in computing income of the previous year) or within 90 days after the end of the year to the extent that those dividends will not be deductible for the Company in computing its income for the preceding year; and
- (ii) One-half of all capital gains dividends paid by the corporation during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year.

If all of the Company's federal taxable income for the year is distributed in this manner, no federal tax is payable by the Company for that year. The elimination of provincial tax depends on relevant provincial legislation. For example, in British Columbia no corporate income tax would be payable if the Company's federal taxable income was zero because the Company's income tax for British Columbia's income tax purposes is calculated by reference to its taxable income for federal tax purposes. Because of the permitted deductions outlined above, the Company is not entitled to the deduction in respect of taxable dividends the Company receives from other taxable Canadian corporations.

The Company must elect in order to distribute its capital gains as capital gains dividends. The election must be made in a prescribed manner and by a prescribed time. The total capital gains dividends that may be paid by the Company for a year is limited to the extent of two times (i.e., double) the Company's "taxable capital gains" for the year less its allowable capital losses for the year and any "net allowable capital losses" of prior years that are carried forward and deducted in the year. A special tax is imposed on the Company if the capital gains dividends exceed this limit. However, there is a special election procedure, whereby this tax can be avoided in certain circumstances if the excess of the dividend is elected to be treated as a separate taxable dividend.

(d) **Taxation of Shareholders**

(i) Capital Gains Dividends

A capital gains dividend received by a Canadian resident shareholder is not included as dividend income of the shareholder, but rather is deemed to be a capital gain of the shareholder for the year from "a disposition of capital property". Thus, with respect to capital gains realized by the Company, the Company serves effectively as a conduit only interposed between the investor and the underlying investment. The result is only achieved, however, if the capital gains dividends are paid by the Company within the required time, and the proper elections are made by the Company in the proper manner and by the proper time. If the capital gains dividends are not paid in this manner, the capital gains realized by the Company are taxable to the Company as they would be in the case of any public company. Because the Company will have no "capital dividend account", the combined corporate and shareholder tax (when the amounts are paid out to the investor as taxable dividends) could be significantly greater than if the conduit mechanism was used.

(ii) Taxable Dividends (Other than Capital Gains Dividends)

Dividends other than capital gains dividends paid by the Company are not included in the income of a shareholder as taxable dividends, but rather are deemed to have been received by the shareholder as interest income payable on a bond issued by the Company after 1971. The "gross-up/dividend tax credit" mechanism provided in the Tax Act does not apply to taxable dividends paid by the Company to Canadian resident individual shareholders. Canadian resident corporate shareholders are not entitled to deduct the amount of a taxable dividend received from a MIC in computing taxable income. If the Company distributes all of its income, it is again effectively treated as a conduit between the investor and the underlying investment, at least with respect to rental and interest income earned.

As is the case with capital gains dividends, if the Company does not distribute all of its income within the required time by way of taxable dividends, the income remains taxable in the Company in the same manner as any other public corporation. When amounts are subsequently distributed to the shareholders through the payment of taxable dividends, the combined corporate and shareholder tax may be significantly higher than if the conduit mechanism was used.

(iii) Disposition of Preferred Shares

Assuming the Preferred Shares are capital property to the investor, the usual rules apply on the disposition of those Preferred Shares as would apply on similar shares of any other public corporation. Certain taxpayers, such as securities dealers and those who have acquired the Preferred Shares in the course of a business of buying and selling shares or in a transaction that is an "adventure in the nature of trade", would not be considered to be holders of the Preferred Shares as capital property. Dispositions to third parties and deemed dispositions, such as those arising on emigration or death, would yield capital gains or capital losses according to the usual rules contained in the Tax Act. A capital gain (or capital loss) will arise to the extent that the proceeds of disposition of the Preferred Shares exceed (or are exceeded by) the adjusted cost base (as defined for income tax purposes) of the shares and any disposition costs.

Redemptions or other acquisitions of the Preferred Shares by the Company (for example, on a winding up) may result in taxable capital gains or allowable capital losses or deemed taxable dividends to the shareholder/investor. The treatment for income tax purposes will depend on the paid-up capital of the Preferred Shares redeemed or otherwise acquired by the Company. If a taxable dividend results, it will likely be characterized as interest received in the hands of the shareholder. (It may not be possible for the Company to elect to treat such a deemed dividend as a capital gains dividend). Any amount that represents the payment of a declared but unpaid dividend that is distributed on the redemption or other acquisition of the share by the Company, and which is not a capital gains dividend, will be characterized as interest received by the shareholder.

One-half of any capital gain that is realized on the disposition of the Preferred Shares will be included in the shareholder's income. Any amount that is deemed to be interest or a capital gains dividend on the redemption or other acquisition of the Preferred Shares by the Company is not included in determining the proceeds of disposition of the Preferred Shares for capital gains purposes.

(iv) Deferred Income Plans

The Preferred Shares are qualified investments for trusts governed by Registered Retirement Savings Plans ("**RRSP**"), Deferred Profit Sharing Plans ("**DPSP**"), Registered Education Savings Plans ("**RESP**"), Registered Retirement Income Funds ("**RRIF**") and Tax Free Savings Accounts ("**TFSA**") (collectively, "**Deferred Income Plans**") at a particular time if the Company qualifies as a MIC under the Tax Act, and if, throughout the calendar year in which the particular time occurs, the Company does not hold as part of its property any indebtedness, whether by way of mortgage or otherwise of a person who is an annuitant, a beneficiary or an employer, as the case may be, under the governing plan trust, or of any other person who does not deal at arm's length with that person. Not all securities are eligible for investment in a RRSP, DPSP, RESP, RRIF, TFSA or FHSA. You should consult your own professional advisers to obtain advice on the RRSP, DPSP, RESP, RRIF, TFSA or FHSA eligibility of the Preferred Shares.

Dividends received by such deferred income plans on shares while the Preferred Shares are qualified investments for such plans will be exempt from taxation in accordance with the provisions of the Tax Act governing those plans. If the preferred shares are a "prohibited investment, the dividends will be subject to tax and penalties will apply. A prohibited investment includes shares in a corporation if (i) the annuitant has a "significant

interest" in the corporation or (ii) the corporation does not deal at arms length with the annuitant. An annuitant has a "significant interest" if he or she owns, directly or indirectly, 10 % or more of the issued shares of any class of the corporation. This definition includes all shares owned by the annuitant and the deferred income plan. In addition to shares actually owned, for this purpose, the annuitant is also deemed to own any shares that are owned by any person related to the annuitant or does not deal at arm's length with the annuitant.

If the Company fails to qualify as a MIC at any time throughout a taxation year, the Preferred Shares may cease to be a qualified investment for a Deferred Income Plan throughout such period, in which case a Deferred Income Plan that holds Preferred Shares will be subject to a penalty tax. If certain Deferred Income Plans hold a non-qualified investment at any time during a particular year, such Deferred Income Plan will be subject to a tax under certain provisions of the Tax Act in respect of income from such non-qualified investment. RESPs which hold non-qualified investments can have their registration revoked by the Canada Revenue Agency.

Notwithstanding that the Preferred Shares may be qualified investments for a trust governed by an RRSP, RRIF or TFSA, the annuitant of an RRSP or RRIF, or the holder of a TFSA, will be subject to a penalty tax if such securities are a "prohibited investment" for the RRSP, RRIF or TFSA. The Preferred Shares will generally be a "prohibited investment" if the annuitant of an RRSP or RRIF, or the holder of a TFSA, does not deal at arm's length with the Company for purposes of the Tax Act or the annuitant of an RRSP or RRIF, or the holder of a TFSA, has a "significant interest" (within the meaning of the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm's length for purposes of the Tax Act. A "significant interest" in a corporation generally means ownership of 10% or more of the issued shares of any class of the capital stock of the corporation (or of any related corporation), either alone or together with persons with which the shareholder does not deal at arm's length for purposes of the Tax Act. Annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult their own advisors in this regard.

The penalty taxes are referred to as the "prohibited investment tax" and the "advantage tax". The prohibited investment tax is equal to 50% of the fair market value of the prohibited investment at the time it was acquired or it became non-qualified. This prohibited investment tax is refundable in certain circumstances. The advantage tax is equal to the value of the benefit received. The penalty taxes will generally apply to transactions occurring, and investments acquired, after March 22, 2011.

Management may not be aware of the identity of persons with whom investors do not deal at arm's length for the purposes of determining whether a non-arm's length group meets the 10% ownership threshold. If management does become aware of the identity of such persons, management cannot advise investors of this situation due to privacy legislation. Investors will be responsible for ensuring that they, along with non-arm's length persons, remain below the 10% ownership threshold if investments are to be made through a RRSP, RRIF or TFSA. Management cannot be liable for taxes or penalties that may apply if these ownership thresholds are exceeded.

(v) Interest Expense

Except for money borrowed for the purposes of paying a premium or making a contribution to one of the deferred income plan trusts described above to enable such a trust to hold the Preferred Shares, a reasonable amount of interest paid or payable (pursuant to a legal obligation) by an investor on money borrowed to acquire Preferred Shares should be deductible in computing income for purposes of the Tax Act, so long as the investor continues to own the Preferred Shares. However, the application of the proposed rules on limited recourse amounts may reduce or restrict the interest expense deduction.

Recent changes to the Tax Act may allow an investor to continue to deduct interest costs where the Preferred Shares are disposed of at a loss or the Preferred Shares have declined in value.

The Company is making the income tax disclosure contained in this Item 8.2, but it makes no other warranties or representations, implied or otherwise, with respect to taxation issues. If the Company were not to qualify as a MIC, the income tax consequences would be materially different from those described in this Item 8.2.

Subscribers should consult with their own tax advisor regarding the income tax consequences of acquiring, holding and disposing of the Preferred Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

ITEM 9 COMPENSATION PAID TO SELLERS AND FINDERS

AMUR Capital, a related entity, is registered under the securities laws of the Provinces of Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan to act as the Company's exempt market dealer to sell its Preferred Shares in those jurisdictions pursuant to exemptions from the prospectus requirements.

Finhaven is registered under the securities laws of the Province of Ontario to act as the Company's exempt market dealer to sell its Preferred Shares in Ontario pursuant to exemptions from the prospectus requirements.

The Company has engaged AMUR Capital and Finhaven pursuant to the EMD Agreement and the Finhaven Agreement, respectively, as its exempt market dealers to sell its preferred shares in Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan (in the case of AMUR Capital) and Ontario (in the case of Finhaven).

Under the terms of the EMD Agreement, the Company pays AMUR Capital 0.15% of the outstanding Mortgage portfolio value on an annual basis, which amount is paid in advance on a monthly basis equivalent to $\frac{1}{12}$ th of 0.15% per month (0.15% per annum).

Under the terms of the Finhaven Agreement, Finhaven is entitled to the Finder's Fee equal to 0.5% of the gross proceeds of any investments made into the Offering from sources introduced directly by Finhaven in respect of up to a maximum of \$3,000 per qualified investor and a minimum of \$500 per qualified investor, and \$750 for share purchases made via a corporation. Further, the Company shall pay any expenses incurred by Finhaven (e.g., travel, due diligence, etc.), which expenses shall be approved in advance by the Company.

In New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Yukon, the Company's Preferred Shares will be sold by CIRO dealers who will charge their applicable firm advisory fee to their clients in connection with the purchase of Preferred Shares.

ITEM 10 RISK FACTORS

An investment in the Company involves significant risks. In addition to the other information presented in this Offering Memorandum, the following risk factors should be given special consideration when evaluating an investment in any of the Company's securities. The purchase of Preferred Shares involves a number of risk factors and is suitable only for Subscribers who are aware of the risks inherent in the real estate industry and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on a purchaser's investment. The risk factors outlined below are not a definitive list of all risk factors associated with an investment in the Company.

The Company advises that prospective Subscribers should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Preferred Shares in order to determine the

appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

Speculative Investment

An investment in the Preferred Shares is speculative. Investment in the Preferred Shares should be considered only by investors who are able to make a long-term investment and are aware of the risk factors involved in such an investment. You should only invest in the Preferred Shares if you are able to bear the risk of the entire loss of your investment and have no need for immediate liquidity in such investment.

Risks Associated with Mortgage Loans

Real estate investment contains elements of risk and is subject to uncertainties such as costs of operation and financing and fluctuating demand for developed real estate. In addition, prospective Subscribers should take note of the following:

- (a) Credit Risk: As with most mortgage investment corporations, the Company provides financings to borrowers who may not meet financing criteria for conventional mortgages from institutional sources and, as a result, these investments generally earn a higher rate of return than what institutional lenders may receive. Credit risk is the risk that the mortgagor will fail to discharge the obligation causing the Company to incur a financial loss. The Company minimizes its credit risk primarily by ensuring that the collateral value of the security fully protects first, second and subsequent Mortgage advances and that there is a viable exit strategy for each Loan. In addition, the Company limits concentration of risk by diversifying its Mortgage portfolio by way of location, property type, maximum loan amount on anyone property, and maximum loan amount to any one borrower.
- (b) Liquidity Risk: Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to hedge this liquidity risk by maintaining a line of credit (refer to Item 2 above) and managing Preferred Share redemptions (refer to Item 5 above). Successful utilization of leverage, as contemplated by any bank line of credit or other financing depends on the Company's ability to borrow funds from outside sources and to use those funds to make loans and other investments at rates of return in excess of the cost to the Company of the borrowed funds. Leverage increases exposure to loss.
- (c) Mortgage Insurance: The Company's Mortgage Loans are not insured by CMHC or any other mortgage insurer in whole or in part.
- (d) Decline in Property Value: The Company's Mortgage Loans will be secured by real estate. All real estate investments are subject to elements of risk. Real property value is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants, competition from other available properties and other factors. While independent appraisals are required before the Company may make any mortgage investments, the appraised values provided therein, even where reported on an "as is" basis, are not necessarily reflective of the market value of the underlying real property, which may fluctuate.
- (e) Default: In case of default on a mortgage, it may be necessary for the Company, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing.
- (f) Impaired Loans: The Company may from time to time have one or more impaired Loans in its portfolio, particulars of which can be obtained by contacting the Company. The Company defines Loans as being impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which write-downs have been taken or specific loss provisions established. As at the date of this Offering Memorandum, there are eight (8) Loans considered to be impaired, representing 0.15% of the Loan portfolio.

- (g) Priority: Financial charges funded by first mortgage lenders may in some cases rank in priority to the mortgages registered in favour of the Company. In the event of default by the mortgagor under any prior financial charge, the Company may be required to arrange a new first mortgage or pay out same, in order to avoid adverse financial implications.
- (h) Risk of Losses: For the fiscal year ended December 31, 2022, the Company has incurred \$313,444 losses on its portfolio. There is no assurance that the Company will not incur losses in the future. As of December 31, 2023, the Company had a loss provision of \$12,940,127.
- (i) Market Interest Rate Risk: As a consequence of investing in Mortgages, an increase in interest rates generally may reduce the demand for the Company's Mortgage Loans and AFG's ability to originate such Mortgage Loans for the Company. Conversely, a decrease in the general level of interest rates may adversely affect the Company through, among other things, increased prepayments on the Company's Mortgage portfolio. An increase in interest rates in the short term that impact the Company's returns with an increased cost of leveraged capital and impact our credit facility covenants.
- (j) Risk of Mortgage Fraud: Mortgage fraud can occur if a borrower misrepresents himself or herself to be the owner of a property of which they are not the legal owner, and obtains a Mortgage on such property. Although industry-standard precautions are taken by the Company, there can be no guarantee that a fraudulent Mortgage will not adversely impact the earnings of the Company.

In recognition of the risks which may be involved in the Company's investments, the Company will establish reserves against potential losses in such amounts as are anticipated to be deductible for income tax purposes under the Tax Act as determined in consultation with the Company's auditors. The Company has established an evaluation process designed to determine the adequacy of its reserve for Loan losses. While this evaluation process uses historical and other objective information, the forecasts and establishment of Loan losses are also dependent on our subjective assessment based upon the experience and judgment of management. As a result, there can be no assurance that our reserves for Loan losses will be sufficient to absorb losses incurred in the future or prevent a material adverse effect on our business, financial condition and results of operations.

Competition

The earnings of the Company depend to a significant extent on the availability of suitable Mortgage applications originated by AFG to the Company for the investment of the Company's funds and on the yields available from time to time on Mortgages as well as the cost of borrowings. A wide variety of competing lenders and investors are active in the areas of investment in which the Company operates. The yields on real estate investments, including Mortgages, depend on many factors including economic conditions, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, and tax laws. The Company cannot predict the effect which such factors will have on its operations.

Prospectus Exemption

The Offering is being made pursuant to exemptions from the prospectus and registration requirements of applicable securities legislation (the "**Exemptions**"). As a consequence of acquiring the Preferred Shares offered hereby pursuant to such Exemptions and the fact that no prospectus has or is required to be filed with respect to any of the Preferred Shares offered hereby under applicable securities legislation in Canada: (i) you will be restricted from using certain of the civil remedies available under applicable securities legislation; (ii) certain protections, rights and remedies provided in such legislation will not be available to you; (iii) you may not receive information that might otherwise be required to be provided to you under such legislation; and (iv) the Company is relieved from certain obligations that would otherwise apply under such legislation.

Marketability

There is no market for resale of the Preferred Shares and consequently it may be difficult or even impossible for Subscribers to sell them. In addition, the Preferred Shares may not be readily acceptable as collateral

for Loans. Subscribers should be prepared to hold these Preferred Shares indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Preferred Shares is suitable solely for persons able to make and bear economic risk of a long-term investment.

There are restrictions on resale of the Preferred Shares by Subscribers. Such restrictions on resale may never expire and you should consult with your professional advisors in respect of resale of the Preferred Shares. See also Item 12 "*Resale Restrictions*" in this regard.

The Company does not presently intend to qualify its securities for sale to the public by way of a prospectus.

Borrowing

The Company may from time to time borrow funds to increase the Mortgage portfolio, including pursuant to the credit facility provided by the Credit Agreement. Borrowings will be secured by Mortgages in the Company's portfolio. This could increase the risk of the Company's insolvency.

If the administrative agent of our current credit facility under the Credit Agreement decided to terminate the credit facility, our ability to grow our Mortgage portfolio could be impaired and our business, operating results, financial condition and prospects could be adversely affected. In addition, the Credit Agreement contains a number of covenants. A breach of the covenants or other terms of the Credit Agreement could result in default and/or acceleration of repayment of any amounts borrowed under the relevant credit facility, which could materially impact our operations.

See Item 2.7 "*Material Contracts*" for further details.

Redemptions

The Directors of the Company may determine that funds are not currently available for the payment of the redemption price of any Preferred Shares in respect of which the Preferred Shareholder has requested a Redemption, in which case the Company may elect to delay payment or pay the redemption price for such Preferred Shares.

The Preferred Shares are not Insured

The Company is not a member institution of the Canada Deposit Insurance Corporation and the Preferred Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. The Preferred Shares are redeemable at the option of the holder, but only under certain circumstances and due to the illiquid nature of mortgage lending, the Company may not be in a position to redeem the shares when requested by a Preferred Shareholder.

Less than Full Offering

There is no minimum offering and there can be no assurance that any Preferred Shares will be sold under the Offering. In that case, less than the maximum proceeds will be available to the Company and, consequently, its business development plans and prospects could be adversely affected, since fewer Mortgage Loans will be granted by the Company.

Income Tax Designation

The Directors and officers of the Company are responsible for ensuring that the Company's operations are conducted in a manner that will not jeopardize its designation as a MIC under the Tax Act. As a MIC, the normal gross-up and dividend tax credit rules will not apply to dividends paid on the Preferred Shares. Rather, the dividends will be taxable in the hands of shareholders who are subject to tax as if they had received an interest payment. If for any reason the Company fails to maintain its designation, the dividends paid by the Company on the Preferred Shares would cease to be deductible from the income of the Company. In addition, the Preferred Shares would cease to be qualified investments for deferred income plans resulting in penalties and taxation of dividends.

Reliance on Management

To the extent that the Company invests in real estate properties, Preferred Shareholders will be relying on the good faith and expertise of the Company's management in selecting such investments. The Company's operations are highly dependent upon the continued support and participation of certain key personnel. The loss of services of such key personnel may materially affect the timing or the ability of the Company to implement its business plan.

Conflicts of Interest

The Company and its shareholders are dependent in large part upon the experience and good faith of AFG. AFG is entitled to act, currently acts and in the future may act in a similar capacity for other companies and/or investors with investment criteria similar to those of the Company. Accordingly, there may be instances in which a mortgage application opportunity may be suitable for the Company as well as other mortgage lenders or investors with whom AFG has business relations. In such case, the Company has the right to take such actions as it sees fit. As such, there is a risk AFG will not be able to originate sufficient suitable mortgage applications to keep the Company's funds fully invested.

AFG and the Company are related entities and negotiations between them have not been, and will not be, conducted at arm's length. Therefore, the Company will be subject to various conflicts of interest arising from its relationship with AFG, Affiliates of AFG, and the officers and directors thereof. In addition, there may be situations where the interests of the Company or its shareholders conflict with the interests of the officers and directors of AFG. The risk exists that such conflicts will not be resolved in the best interests of the Company and the Preferred Shareholders, however, AFG is subject to its duty to deal honestly and in good faith.

The Company's four directors also serve as directors of Amur Capital Conservative Income Fund Inc. and Amur Capital High Yield Fund Inc., mortgage investment entities related to the Company, as well as members of an advisory council for AFG, and may have inherent conflicts of interest as a result of such positions and affiliations. Two Directors of the Company are also employed by and are directors and shareholders of AFG. In addition to the financial services fees that are paid to AFG by the Company, AFG and its affiliated companies earn fees from the borrowers for Mortgages arranged for the Company. Furthermore, certain of the Directors and officers of the Company receive compensation from AFG for work done by such individuals for AFG. Although the Company's directors are subject to fiduciary duties to deal honestly and in good faith in the best interests of the Company, there is a risk that such conflicts of interest will not be always resolved in the best interests of the Company or the Preferred Shareholders.

The Directors of the Company may by majority vote at a meeting of the Directors vary the Company's investment criteria. The Company does not have the express right to terminate the Mortgage Brokerage Services Agreement. It may be difficult for some of the Directors to exercise independent judgment about these and other matters.

AMUR Capital will earn fees from the Company for services based on the outstanding Mortgage portfolio value. AMUR Capital is a related party to AFG. Two of the Company's Directors are indirect shareholders of AMUR Capital. Further, one Director of the Company is an individual registrant of AMUR Capital. Accordingly, AMUR Capital faces an inherent conflict of interest between its interest to sell the Preferred Shares of the Company as the engagement of AMUR Capital by the Company will provide compensation to AMUR Capital as well as indirectly to AFG, and AMUR Capital's registrant obligations, including know-your-client, know-your-product, suitability, and its fair dealing duty. See Item 2.7 "*Material Contracts*".

Natural Disasters, Terrorist Acts, Health Crises and Other Disruptions or Dislocations

Upon the occurrence of a natural disaster, a terrorist attack, a public health crisis (including epidemics, pandemics or outbreaks of new infectious disease or viruses), an incident of war, riot or civil unrest, Canada may not efficiently and/or quickly recover from such event, which could have a materially adverse effect on our business. Events such as these can result in volatility and disruption to global supply chains, operations, mobility of people, employment and financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to us.

The occurrence of any such natural disaster, terrorist attack, public health crisis, incident of war, riot or civil unrest may have the effect of heightening many of the other risks in this Offering Memorandum. The impact of such events on the value of the Company's Mortgage portfolio will depend on the impact such event has on the general economy, including interest rates and real estate values and will depend on the duration and spread of the outbreak, impact of event and related advisories and restrictions. The impact of such events on the real estate markets in which the Company invests and the overall economy are uncertain. If such markets and/or the overall economy are impacted for an extended period, the Company's future financial performance may be materially adversely affected. The Company may incur expenses or delays relating to such events outside of their control, which could have a material adverse impact on their performance. Additionally, natural disasters and health outbreaks present risks to key personnel to perform their roles in the event they become ill or are unable to continue to effectively operate on a remote basis. Due to the uncertainty and rapidly evolving nature of such events, it is impossible to list all of the potential impacts they could have upon the Company.

Subordinate and Non-Conventional Financing

Any subordinate financing which may be carried on by the Company is generally considered a higher risk than primary financing. Mortgages will be secured by a charge which is in a first or subsequent-ranking position upon or in the underlying real estate. When a charge on a real property is in a position other than first-ranking on a real property, it is possible for the holder of a prior charge on the real property, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the real property in order to realize the security given for his loan. Such actions may include a foreclosure action, or an action forcing the real property to be sold. A foreclosure action may have the ultimate effect of depriving any person having other than a first-ranking charge the security of the real property. If an action is taken to sell the real property and sufficient proceeds are not realized from such sale to pay off all creditors who have prior charges on the property, the holder of a subsequent charge may lose his investment or part thereof to the extent of such deficiency, unless he can otherwise recover such deficiency from other property owned by the debtor.

Potential Liability under Environmental Protection Legislation

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, as the owner of real estate properties the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the properties. The failure to remove or remediate such substances, if any, may adversely affect the Company's ability to sell such a property or to borrow using a property as collateral.

Cyber-Security Risk

Cyber security risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. The Company obtains and processes large amounts of sensitive data, including personal and credit information of its borrowers. The Company faces risks, including to its reputation, in the handling and protection of this data. The Company has security measures in place. However, if these security measures are inadequate or are breached and, as a result, someone obtains unauthorized access to sensitive information, including personally identifiable information, on the Company's systems, our reputation and business could be damaged.

Impact of Changes in Legislation or Government Regulations

The Company may need to change the manner in which it conducts its business if government legislation or regulation increases or changes.

The Company's business is materially affected by government regulation, policy and legislation (including tax laws) and by conditions in the residential mortgage market, the residential real estate market, the financial markets and the economy generally. No assurances can be given that any changes to government regulation, policy or legislation, or any actions taken by the federal or provincial governments, or governmental or regulatory bodies, will not materially adversely affect the Company's business, financial

condition and results of operations and the Company's ability to distribute dividends to Preferred Shareholders.

There can be no assurance that tax laws and/or government regulations relating to the real estate industry, the financial services industry or the mortgage industry will not be changed in a manner which adversely affects the Company or distributions received by its Preferred Shareholders.

Legal, Regulatory and Tax Dispute Risk

The Company's business is subject to legal, regulatory and tax investigations and actions that could result in financial losses and harm the Company's reputation. The Company faces the risk of litigation and regulatory investigations and actions in the ordinary course of business, including the risk of class action lawsuits. The Company may become subject to class actions and individual suits in connection with its business and the Mortgage Loans provided by the Company. The Company may also be subject to litigation arising out of the Company's general business activities such as the Company's contractual and employment relationships. Plaintiffs in class action and other lawsuits against the Company may seek very large or indeterminate amounts, including punitive damages, which may remain unknown for substantial periods of time. The Company may also be subject to various regulatory inquiries, such as information requests, subpoenas and books and record examinations, from provincial and federal regulators and other authorities. The Company's positions in its tax filings could be challenged by taxation authorities and result in disputes regarding the Company's tax liabilities. A substantial legal liability, tax dispute or significant regulatory action against the Company could have an adverse effect on its business, financial condition and results of operations. Moreover, even if the Company ultimately prevails in any litigation, tax dispute, regulatory action or investigation, the Company could suffer significant reputational harm, which could have an adverse effect on its business, financial condition and results of operations.

There can be no assurance that any investigations, proceedings or disputes will not have an adverse effect on the Company's business, financial condition or results of operations. In addition, increased regulatory scrutiny and any resulting investigations or proceedings could result in new legal precedents and industrywide regulations or practices that could adversely affect the Company's business, financial condition and results of operations.

No Guaranteed Return

Although investments in Mortgages will be carefully chosen by the Company, there is no representation made by the Company that such investments will have a guaranteed return to Preferred Shareholders, nor that losses will not be incurred by the Company in respect of such investments. This Offering is not suitable for investors who cannot afford to assume significant risks in connection with their investments.

Dilution

The number of Preferred Shares the Company is authorized to issue is unlimited and the Directors have the sole discretion to issue additional Preferred Shares. The proceeds of this offering may not be sufficient to accomplish all of the Company's proposed objectives. In addition to alternative financing sources, the Company may conduct future offerings of Preferred Shares in order to raise the funds required which may result in a dilution of the interests of the Preferred Shareholders in the Company and the income or loss from the Company.

Nature of Mortgage Backed Investments

Investments in Mortgages are affected by general economic conditions, local real estate markets, demand for leased premises, fluctuation in occupancy rates and operating expenses, and various other factors. The value of a real estate property may ultimately depend on the credit and financial stability of the tenants. Investments in Mortgages are relatively illiquid. Such illiquidity will tend to limit the Company's ability to change its portfolio promptly in response to changing economic or investment conditions. Investments in Mortgages on residential Real Property projects under development may be riskier than investments in Mortgages on already constructed residential Real Property developments.

Availability of Mortgage Investments

The ability of the Company to make investments in Mortgages in accordance with its investment policies will depend upon the availability of suitable investments and the amount of Mortgages available. The Company will compete with individuals, partnerships, companies, trusts and institutions for the investment in the financing of real properties. Many of these competitors have greater resources than the Company or operate with greater flexibility.

Renewal of Mortgages

There can be no assurances that any of the Mortgages comprising the Company's Mortgage portfolio from time to time can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. With respect to each Mortgage comprising the Mortgage portfolio, it is possible that the mortgagor, the mortgagee or both, will not elect to renew such Mortgage. In addition, if the Mortgages in the Mortgage portfolio are renewed, the principal balance of such renewals, the interest rates and the other terms and conditions of such Mortgages will be subject to negotiations between the mortgagors and the mortgagees at the time of renewal.

Tax Matters

The return on the Preferred Shareholder's investment in the Preferred Shares is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Preferred Shareholders acquiring, holding or disposing of Preferred Shares.

If, for any reason, the Company fails to maintain its qualification as a mortgage investment corporation under the Tax Act, dividends paid by the Company on the Preferred Shares will cease to be deductible from the Company's income and the Preferred Shares may cease to be qualified investments for deferred plans. See *Item 8 "Income Tax Consequences and RRSP/TFSA Eligibility"*.

For all of the aforesaid reasons and others set forth and not set forth herein, the Preferred Shares involve a certain degree of risk. Any person considering the purchase of the Preferred Shares should be aware of these and other factors set forth in this Offering Memorandum and should consult with his/her legal, tax and financial advisors prior to making an investment in the Preferred Shares. The Preferred Shares should only be purchased by persons who can afford to lose all of their total investment.

ITEM 11 REPORTING OBLIGATIONS

The Company is not a "reporting issuer" as that term is defined in applicable securities legislation, nor does it currently intend to become a reporting issuer and therefore obligations of the Company to publicly disclose documents is limited. However, Preferred Shareholders will receive quarterly statements reflecting their investment in the Company and quarterly dividend cheques, if applicable, and will receive yearly T5 tax returns for cash investment income.

The Company's fiscal year commences January 1 in each calendar year and ends December 31 of such year. The Company will prepare financial statements for each fiscal year in connection with an annual general meeting to be held as required by the *BCBCA*, and provide them to shareholders within 120 days of the Company's fiscal year end.

Information about the Company's incorporation, amendments to its constating documents, Directors, officers, annual corporate filings and other corporate information can be obtained from the British Columbia Registry Services, 2nd Floor – 940 Blanshard Street, (PO Box 9431 Stn. Prov. Govt.) Victoria, British Columbia V8W 9V3 (Telephone: 250.356.8626; Facsimile: 250.356.8923).

ITEM 12 RESALE RESTRICTIONS

12.1 Restricted Period

Unless permitted under securities legislation, you cannot trade Preferred Shares before the date that is the later of four months and one day after: (i) the date the Company becomes a reporting issuer in any province or territory of Canada; or (ii) the date of the distribution pursuant to which the Preferred Shares were issued to you. The Company has no intention or plan to proceed with becoming a reporting issuer.

After such period described above, the Preferred Shares may be transferable, subject to restrictions on transfer required in order to comply with certain provisions of the Tax Act. Section 130.1(6)(d) of the Tax Act stipulates that a MIC may not have fewer than 20 shareholders and no one shareholder may hold more than 25% of the total issued and outstanding shares of any class of the Company's capital. Accordingly, the Articles of the Company provide that the Directors of the Company may prohibit the transfer of shares in any case where, as a result of the transfer, the Company would no longer meet the requirements of a MIC. The Directors of the Company intend to refuse the registration of an allotment or transfer of the Company's shares which may result in the Company ceasing to meet such qualification.

12.2 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the Preferred Shares without the prior written consent of the regulator in Manitoba unless:

- (a) the Company has filed a prospectus with the regulator in Manitoba with respect to the Preferred Shares you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the Preferred Shares for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

See Item 5.1 "*Terms of Preferred Shares – Trading and Resale Restrictions*".

ITEM 13 PURCHASERS' RIGHTS

13.1 Statements Regarding Purchasers' Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

The following summary is subject to the express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. Subscribers should refer to those provisions for the particulars of these rights or consult with a legal adviser.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the investor may have at law.

Two-Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Company by midnight on the second Business Day after you sign the agreement to buy the Preferred Shares.

Incorporation by Reference

If you are a resident or subject to the laws of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Nunavut, Prince Edward Island or Yukon and a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into the Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Statutory Rights of Action in the Event of a Misrepresentation

(a) Rights for Purchasers in Alberta and British Columbia

Securities legislation in Alberta and British Columbia provides that if you purchase securities pursuant to this Offering Memorandum, you will have, in addition to any other rights you may have at law, a right of action for damages or rescission against the Company, every Director of the Company and every person who signs the Offering Memorandum or any amendment thereto in the event that the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. You should refer to the applicable provisions of the Alberta or British Columbia securities legislation for particulars of those rights or consult with a lawyer. For these purposes, a "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated, or necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. A "material fact" means any fact that significantly affects or could reasonably be expected to significantly affect the market price or the value of the Preferred Shares.

In Alberta and British Columbia no action will be commenced to enforce a statutory right of action unless the right is exercised:

- (i) In the case of rescission, on notice to the Company not later than 180 days from the day of the transaction that gave rise to the cause of action, or
- (ii) In the case of damages, on notice given to the Company before the earlier of:
 - (A) 180 days from the day you first had knowledge of the facts giving rise to the cause of action; or
 - (B) Three years from the day of the transaction that gave rise to the cause of action.

If you elect to exercise a right of rescission against the Company, then you have no right of action for damages against the Company.

This statutory right of action is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, the Company, every Director of the Company and every person who signed the Offering Memorandum will not be liable if it proves that you had knowledge of the misrepresentation at the time you purchased the Preferred Shares.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Preferred Shares resulting from the misrepresentation.

Reference is made to the *Securities Act* (Alberta) and the BC Securities Act for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Alberta) or the BC Securities Act, as applicable.

(b) Rights for Purchasers in Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that in the event that this Offering Memorandum, together with any amendments thereto, is delivered to you as a purchaser of Preferred Shares and this Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement

not misleading in light of the circumstances in which it was made, you will have a right of action against the Company for damages or rescission as follows:

- (i) The right of action for rescission or damages will be exercisable by you only if you give written notice to the Company, not later than 180 days after the date on which payment was made for the Preferred Shares (or after the initial payment was made for the Preferred Shares, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that you are exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by you only if you give notice to the Company not later than the earlier of:
 - (A) 180 days after you first had knowledge of the facts giving rise to the cause of action; or
 - (B) Three years after the date of the transaction giving rise to the cause of action;
- (ii) The Company will not be liable if it proves that you purchased the Preferred Shares with knowledge of the misrepresentation;
- (iii) In the case of an action for damages, the Company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Preferred Shares as a result of the misrepresentation relied upon;
- (iv) In no case will the amount recoverable in any action exceed the price at which the Preferred Shares were sold to you; and
- (v) The rights of action for rescission or damages are in addition to and without derogation from any other right you may have at law.

You should refer to the applicable provisions of the Ontario securities legislation for particulars of those rights or consult with a lawyer. Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

(c) Rights for Purchasers in Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Preferred Shares; or
- (b) for damages against the Company, every director of the Company at the date of this Offering Memorandum, and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares.

If you intend to rely on the rights described in (a) and (b) above, you must do so within strict time limitations. You must commence the action to cancel the agreement within 180 days after you signed the agreement to buy the Preferred Shares. You must commence the action for damages within the earlier of 180 days after learning of the misrepresentation and two years from the date of the Company having accepted your subscription to purchase the Preferred Shares.

Reference is made to the *Securities Act* (Manitoba) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Manitoba).

(d) Rights for Purchasers in New Brunswick

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Preferred Shares; or
- (b) for damages against the Company and a selling security holder on whose behalf the distribution was made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares.

If you intend to rely on the rights described in (a) and (b) above, you must do so within strict time limitations. You must commence the action to cancel the agreement within 180 days after you signed the agreement to buy the Preferred Shares. You must commence the action for damages within the earlier of one year after learning of the misrepresentation and six years from the date of the Company having accepted your subscription to purchase the Preferred Shares.

Reference is made to the *Securities Act* (New Brunswick) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (New Brunswick).

(e) Rights for Purchasers in Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Yukon

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Preferred Shares; or
- (b) for damages against the Company and selling security holder on whose behalf the distribution was made, every director of the Company at the date of this Offering Memorandum, and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares.

If you intend to rely on the rights described in (a) and (b) above, you must do so within strict time limitations. You must commence the action to cancel the agreement within 180 days after the date that you purchased the Preferred Shares. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation or three years after the day you purchased the Preferred Shares.

Reference is made to the *Securities Act* (Newfoundland and Labrador), the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) the *Securities Act* (Prince Edward Island) and the *Securities Act* (Yukon) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Newfoundland and Labrador), the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) the *Securities Act* (Prince Edward Island) or the *Securities Act* (Yukon), as applicable.

(f) Rights for Purchasers in Nova Scotia

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Preferred Shares, or
- (b) for damages against the Company, every director of the Company at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Preferred Shares. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the Preferred Shares. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after the day you purchased the Preferred Shares.

Reference is made to the *Securities Act* (Nova Scotia) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Nova Scotia).

(g) Rights for Purchasers in Saskatchewan

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Preferred Shares; or
- (b) for damages against the Company and a selling security holder on whose behalf the distribution was made, every promoter and director of the Company or the selling security holder at the time this Offering Memorandum was sent or delivered, every person or company whose consent was filed respecting this Offering Memorandum (but only with respect to reports, opinions or statements that have been made by them), every person or company who signed this Offering Memorandum, and every person or company that sold securities on behalf of the Company or selling security holder under this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares.

If you intend to rely on the rights described in (a) and (b) above, you must do so within strict time limitations. You must commence the action to cancel the agreement within 180 days after you signed the agreement to buy the Preferred Shares. You must commence the action for damages within the earlier of one year after learning of the misrepresentation and six years from the date of the Company having accepted your subscription to purchase the Preferred Shares.

Reference is made to the *Securities Act, 1988* (Saskatchewan) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act, 1988* (Saskatchewan).

13.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert

This offering memorandum references audited financial statements prepared by MNP LLP on March 20, 2024. You do not have a statutory right of action against this party for a misrepresentation in the offering memorandum. You should consult with a legal adviser for further information.

ITEM 14
FINANCIAL STATEMENTS

Please see the audited financial statements for the period ending December 31, 2023, attached hereto.

[remainder of page left intentionally blank]

