SOLSTAR CAPITAL FUND OFFERING MEMORANDUM
SUMMARY OF THE OFFERING

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum.

DATE:	November 22, 2019.
THE ISSUER: Name:	Solstar Capital Fund (the "**Fund**").
Head office:	330-1595 Boul Daniel Johnson Laval, Quebec H7V 4C2 Phone Number: 579-640-3484 E-mail Address: dennis.baltzis@solstarpharma.com
Trustees	Dionissios Baltzis; Geneviève Forget; and Rocco Di Fruscia (collectively, the "**Trustees**")
Currently listed or quoted:	No. **These securities do not trade on any exchange or market.** Reporting issuer: No. SEDAR Filer: Yes
THE OFFERING: Securities offered (the "**Offering**"):	Units of the Fund (the "**Units**"). The Fund will then use the proceeds from the subscription of Units to purchase Class B common non-voting shares (the "**Shares**") of the operating entity, Solstar Pharma Inc. ("**Solstar**"), a company incorporated under the *Business corporations Act* (Québec) on February 22, 2017, and having a place of business as 330-1595 boul. Daniel-Johnson, Laval, Quebec, H7V 4C2. For further information regarding the ownership structure and operations of Solstar, please see Section 2.1 - Structure. The Units may be sold in different series (the "**Series**") as determined by the Trustees from time to time.
Price per Unit:	$10.00.
Minimum/Maximum offering:	Minimum Offering: $250,000 Maximum Offering: $25,000,000
Minimum subscription amount:	There is no minimum subscription amount an investor must invest.
Payment terms:	If you wish to subscribe for Units, you must complete and execute a subscription agreement and all applicable schedules and appendices thereto ("**Subscription Agreement**") and any other required document and send the duly completed documents to the Trustees at the head office of the Fund mentioned above. You must also ensure that sufficient funds are available in the account specified in your Subscription Agreement or otherwise deliver payment to the Trustees for the total amount of your subscription by wire transfer (or such other method of payment accepted by the Fund) in accordance with the instructions set out under Section 5.2 - Subscription Procedure. The full amount of your subscription will be held by the Trustees in a separate trust account until midnight on the second business day following the signature of your subscription. This amount will be returned to you in full if you exercise your right to withdraw under Item 11 - Purchasers' Rights and Item 5 – Securities Offered.
Proposed closing date(s):	Subscriptions will be received subject to the rights of the Trustees to reject or allot them in whole or in part and subject to the right to close the subscription books at any time without notice. Closings shall occur from time to time during the course of the Offering or on any other date the Trustees determine.
Income tax consequences:	There are important tax consequences to these securities. See section entitled *Income Tax Consequences and RRSP Eligibility*.
Selling agent(s):	It is anticipated that WhiteHaven Securities Inc. ("**WhiteHaven**") will act as a selling agent under the Offering.
RESALE RESTRICTIONS:	The holders of Units ("**Unitholders**") will be restricted from selling their Units for an indefinite period. See section entitled Item 10 - Resale Restrictions. However, except in limited circumstances, a Unitholder may generally elect to redeem any or all of his, her or its Units on the last day of any quarter that is not a Saturday, a Sunday or a statutory holiday in Montreal, Québec (a "**Business Day**"). See Section 5.1.3 - Rights of Redemption. It should be noted that the Trustees' obligation to make payment of the redemption proceeds in cash is limited to the availability of Fund Property that constitutes liquid assets and that is not otherwise required to satisfy any short-term liability of the Fund. See 5.1.3.3 - Proceeds Payable.
PURCHASERS' RIGHTS:	The Unitholders may have two Business Days to cancel their agreement to purchase the Units. In addition, if there is a misrepresentation in this Offering Memorandum, Unitholders may have the right to sue for damages or to cancel the agreement. See Item 11 - Purchasers' Rights.
Conflict of Interest:	Canadian provincial and territorial securities laws provide that registered firms such as WhiteHaven and its dealing representatives, may only trade in or advise prospective subscribers with respect to the securities of issuers to which they (or certain parties related to them) are related or connected if they provide certain prescribed disclosures regarding the "connected issuer" status of the issuer of the securities. Prior to trading in such securities or advising their clients, dealers such as WhiteHaven are required to inform their clients of the relevant relationships and connections with the issuer of the securities, which in the case of the Offering detailed in this Offering Memorandum is the Fund. Purchasers should refer to the relevant provisions of applicable securities laws for further details regarding these requirements or consult with a legal advisor. **Prospective Unitholders should note that if they purchase Units through WhiteHaven, they will not be purchasing securities from a dealer that is independent of Solstar. Firstly, WhiteHaven is wholly-owned by WhiteHaven Holding Inc., which, as of November 22, 2019, owns 5% of the issued and outstanding shares of Solstar. Secondly, the chief operating officer of WhiteHaven, Athanasios Baltzis, is the brother of the Vice-President and Secretary of Solstar. Lastly, Athanasios Baltzis has also acted as the settlor of the Fund. For further information, see Item 7 - Compensation paid to Sellers and Finders and the disclosure in bold under "Selling Agents" on the cover page of this Offering Memorandum.**

The Units described in this Offering Memorandum (the "Offering Memorandum") are being offered on a private placement basis in reliance on exemptions from the requirement to prepare and file a prospectus with securities regulatory authorities. This Offering Memorandum constitutes an offering of Units only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and under no circumstances, is to be construed as, a prospectus or an advertisement for a public offering of these Units. No securities regulatory authority or regulator has assessed the merits of the Units offered in this Offering Memorandum or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 - Risk Factors.

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FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking information or statements with respect to the Fund. Notably, the information contained under the headings 2.2 - Our Business: Commercialization of formulated antimicrobial and/or anti-cancer agents in order to treat antimicrobial-resistant infections and/or various types of cancer, 2.3 - Development of Business, 2.4 - Long Term Objectives, and 2.5 - Short Term Objectives and How We Intend to Achieve Them, may constitute "forward-looking information" for the purposes of securities legislation, as it contains statements regarding the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Trustees about the success of the Fund's investment strategy in certain market conditions, relying on the experience of the Trustees and their knowledge of historical, economic and market trends. Investors are cautioned that the assumptions made and the success of the Fund's investment strategy is subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Fund's intended strategies as well as the Fund's actual course of conduct. There are inherent risks with these investments, investors are urged to read the section entitled *Risk Factors* for a discussion of other factors that will impact the Fund.

ITEM 1. USE OF AVAILABLE FUNDS

1.1. Funds

1.1.1 *The Fund*

The Fund will sell Units on a continuous basis, with closings, from time to time during the course of the Offering. The minimum amount to be raised pursuant to this Offering is $250,000 and the maximum amount to be raised pursuant to this Offering is $25,000,000.

The following table provides the general allotment of funds available as a result of the Offering under this Offering Memorandum:

		Assuming Minimum Offering	**Assuming Maximum Offering**
A.	Amount to be raised	$250,000	$25,000,000
B.	Selling commissions and fees[(1)]	$25,000	$2,500,000
C.	Estimated costs (lawyers, accountants, auditors)	$100,000	$500,000
D.	Available funds: D = A – (B + C)	$125,000	$22,000,000
E.	Additional sources of funding required[(2)]	$0	$0
F.	Working capital deficiency	$0	$0
G.	Total : G = (D + E) - F	$125,000	$22,000,000

Notes:

(1) The Fund shall offer as compensation to the selling agents up to 10% of the gross proceeds realized on the sale of Units. See Item 7 - Compensation paid to Sellers and Finders.

(2) The Fund does not anticipate requiring additional funds to pursue its business objectives. However, Solstar may require additional funding to pursue its own business objectives.

As of the date of this Offering Memorandum, the Fund has no working capital deficiency.

1.1.2 Solstar

The following table provides the general allotment of funds that will be made available to Solstar as a result of the Offering under this Offering Memorandum:

		Assuming Minimum Offering	Assuming Maximum Offering
A.	Amount to be raised	$125,000	$22,000,000
B.	Selling commissions and fees	$0	$0
C.	Estimated costs (lawyers, accountants, auditors)	$0	$0
D.	Available funds: D = A – (B + C)	$125,000	$22,000,000
E.	Additional sources of funding required	$0	$0
F.	Working capital deficiency	$0	$0
G.	Total : G = (D + E) - F	$125,000	$22,000,000

1.2. Use of Available Funds

1.2.1. Use of available funds by the Fund

The following table provides a detailed breakdown of the total use of the available funds by the Fund:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Fees	$0	$0
Costs	$0	$0
Purchase of Shares of Solstar	$125,000	$22,000,000
Total:	$125,000	$22,000,000

After payment of all fees and costs associated with the Offering, the Fund will use the available funds from the sale of Units to purchase Shares of Solstar.

1.2.2. Use of funds by Solstar

Solstar will in turn use the proceeds from the sale of Shares in order to finance the business, consisting of commercialization of formulated antimicrobial and/or anti-cancer agents in order to treat antibiotic-resistant bacterial infections and/or various types of cancer in Canada (the "**Business**"). See Item 2.2 - Our Business: Commercialization of formulated antimicrobial and/or anti-cancer agents in order to treat antimicrobial-resistant infections and/or various types of cancer.

Description of intended use of available funds listed in order or priority	Assuming Minimum Offering	Assuming Maximum Offering
Reimbursement of loans	$0	$3,700,000
Pre-clinical Studies	$125,000	$2,000,000
Clinical Studies	$0	$15,000,000
Administrative and professional costs	$0	$900,000
Working capital	$0	$400,000
TOTAL	$125,000	$22,000,000

It is anticipated that Solstar may use a significant portion of the proceeds invested by the Fund to reimburse outstanding loans.

The administrative fees referred in the above table pertain to a non-revolving loan facility agreement (the "**Loan Agreement**") that Solstar has entered into with Solstar Capital Inc. (the "**Corporation**"), as lender. Pursuant to the terms and conditions of the Loan Agreement, the Corporation has provided one or more loan advances to Solstar in the aggregate amount of up to $5,000,000 to finance the Business. In exchange for the Loan Advances, Solstar pays the Corporation administrative fees equivalent to the costs of the Debenture Offering (as defined in Section 2.7.3 - Loan Agreement), selling commissions and other fees payable by the Corporation in connection with the Debenture Offering. Upon completion of a Debenture Offering, Solstar will continue to pay administrative fees to the Corporation equal to the operating costs and other fees payable by the Corporation. For further information regarding the Loan Agreement, please refer to Section 2.7.3 - Loan Agreement.

1.3. Reallocation

The Fund intends to use the available funds as stated under Section 1.2.1 - Use of available funds by the Fund by the Fund.

Solstar intends to use the proceeds from the sale of Shares to pursue the objectives set out under Section 1.2.2 - Use of funds by Solstar. Solstar will reallocate funds only for sound business reasons.

ITEM 2. BUSINESS OF THE FUND

2.1. Structure

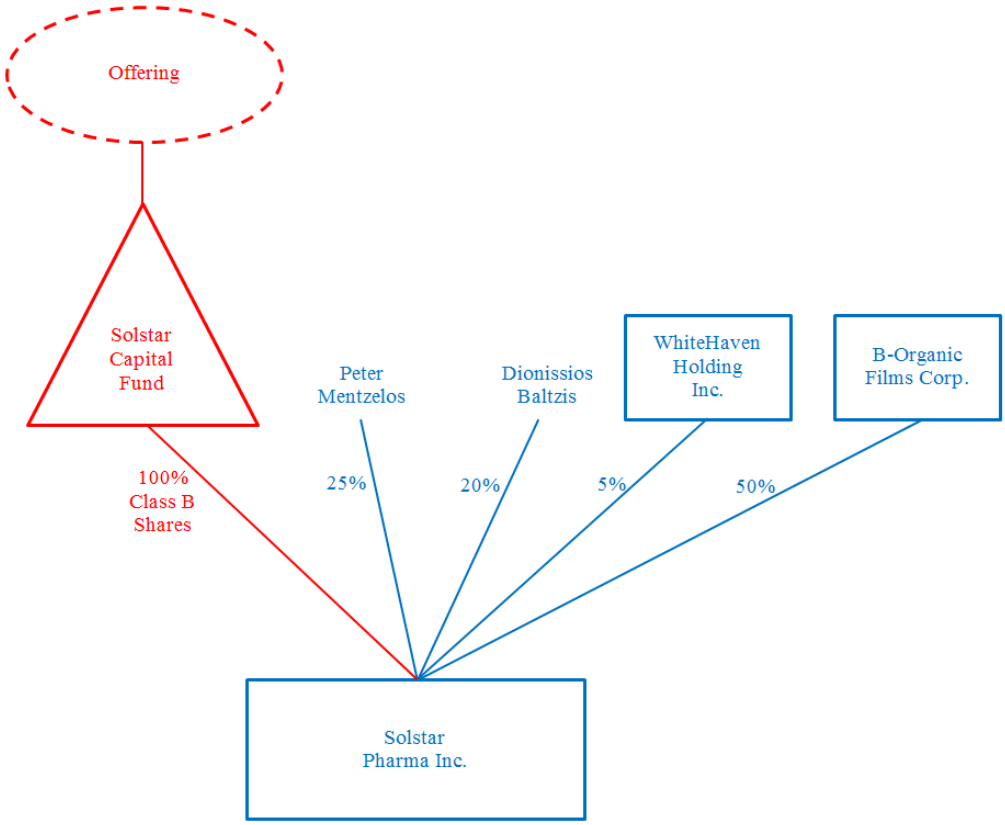
2.1.1. The Fund

The Fund is a mutual fund trust, created pursuant to an Amended and Restated Trust Agreement entered into by Dionissios Baltzis, Geneviève Forget, and Rocco Di Fruscia (as trustees) and Athanasios Baltzis (as settlor), on July 18, 2019. The Fund is governed by the laws of the province of Quebec.

2.1.2. The Purpose of the Fund

The purpose of the Fund is to purchase the Shares, for the benefit of the Unitholders.

2.1.3. Organizational Flow Chart



2.2. Our Business: Commercialization of formulated antimicrobial and/or anti-cancer agents in order to treat antimicrobial-resistant infections and/or various types of cancer

As the purpose of the Fund is to purchase Shares of Solstar, the present section will describe the business and activities of Solstar.

Solstar is a start-up speciality pharmaceutical company focused on the research & development of antimicrobial and/or anti-cancer agents for the treatment of life-threatening diseases. Solstar is using its breakthrough solubility technology to create new intellectual properties by formulating biologically active products into novel drugs with increased bioavailability. Solstar is initially focusing on enhancing the solubility of existing drugs that address significant unmet medical needs: (a) new-generation of new of improved antimicrobials to overcome antimicrobial-resistant infections; and (b) ultimately reduce the incidence of cancer caused by these infections.

Solstar has filed a provisional patent on the extended release of dosage forms for the treatment of Helicobacter pylori ("***H. Pylori***") (US Application No. 36440672). These dosage forms consist of pharmaceuticals or other biologically active products that have antimicrobial activity against *H. pylori*. Our approach will retain the dosage form in the stomach for an extended period of time and our antimicrobial agents will be released in a predictable, planned, and slower than-normal manner over a prolonged period of time. Liberating the drug at a slower-than-normal rate will address many challenges associated with conventional oral delivery, including poor bioavailability, thereby causing a decrease in the dosage frequency.

In February 2017, the WHO published a list of antibiotic-resistant priority pathogens consisting of 12 families of bacteria that pose the greatest threat to human health. The list was established to promote research and development of new antibiotics, as part of WHO's efforts to address the growing global resistance to antimicrobial drugs. One reason for the rise in antibiotic resistant bacteria is that we have reached a point where there are hardly any treatment alternatives left for certain bacterial infections. The last discovery of a new antibiotic class that has reached the market was in 1987. Since then, there has been a void in antibiotic development, such that today there are few novel antibiotic classes in the drug pipeline. Therefore, Solstar has also acquired from VFP Therapies (based in Rouen, France) the exclusive rights of intellectual property rights for the synthesis and development of a new class of antibiotics.

Solstar will primarily develop formulated active pharmaceutical ingredients (i) to treat *H. pylori* infection, (ii) to treat neoplastic (cancer) diseases, (iii) to develop and explore new classes of antibiotics and (iv) to develop other future technologies or devices related to life sciences.

See Section 2.7 - Material Agreements.

2.2.1. Discovery of a Drug Candidate

Our activities consist of discovering, characterising and developing formulations for existing drugs or new drug candidates whose mechanism of action involves the inhibition of microbial growth and/or the inhibition of cancer cell growth. The initial research phase is aimed at identifying a drug candidate and characterising its pharmacological properties with a view to channeling these properties for therapeutic use.

The objective of the development phase is to determine the clinical efficacy and safety of using the drug candidate and to ensure its pharmaceutical quality. All three aspects, namely efficacy, safety and quality, are evaluated by regulatory agencies, first when permission to carry out clinical trials on humans is requested and once again at the marketing authorisation stage.

The development process comprises three types of activity:

2.2.1.1. Pre-clinical studies

Pre-clinical studies consist of laboratory evaluation of the product's potential efficacy and safety in use. The efficacy is evaluated in various cell culture models (*in vitro* studies) and in animal models (*in vivo* studies). Toxicology studies will also be carried out to determine the safety of the product and evaluate the possible effects the drug candidate has on certain physiological functions. Finally, analytical methods will be developed to monitor the evolution of the drug candidate in the organism, to measure its concentrations in body fluids, to correlate the observed biological effects with the doses administered and to define the method of administering the product. These pharmacokinetic studies will quantitatively describe the absorption, metabolism and elimination of the drug.

2.2.1.2. Clinical studies

Clinical studies on humans are commonly conducted in three phases. In a Phase I clinical trial, the drug candidate is generally administered to determine its initial safety profile, to identify undesirable effects

and to evaluate tolerance to the doses administered, as well as its distribution and metabolism. During a Phase II clinical trial, the drug candidate is studied in a limited patient population to determine preliminary efficacy and optimum dosage levels and to increase the accuracy of the tolerance profile. Phase III studies are large scale comparative trials intended to produce data demonstrating the relative efficacy and tolerance as required by the regulatory authorities.

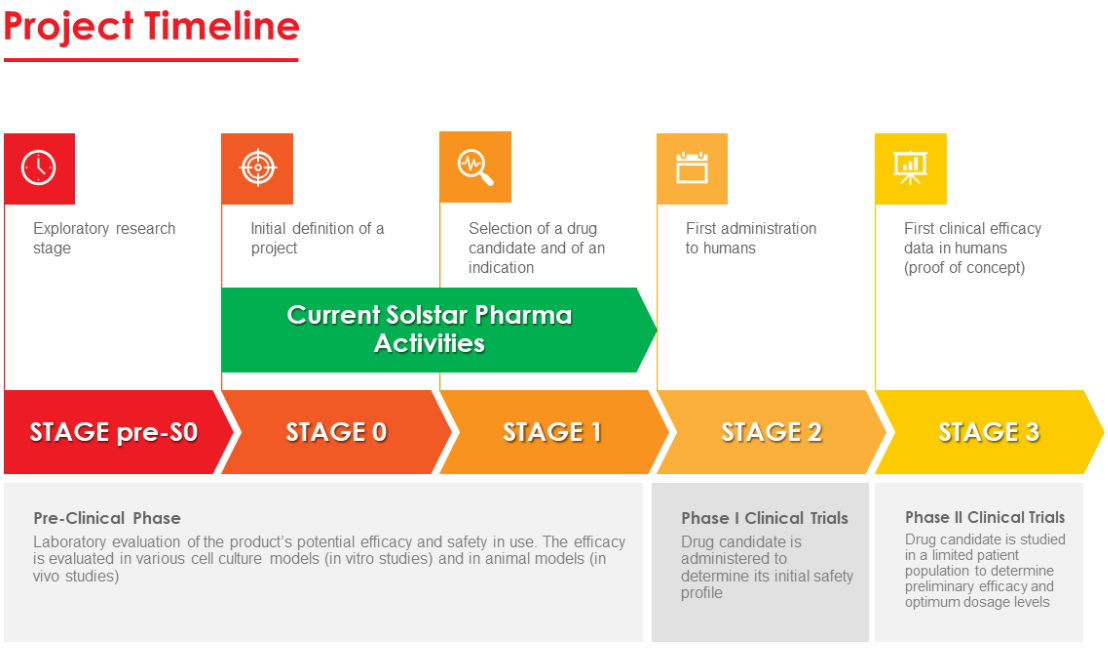
2.2.1.3. Pharmaceutical development

Pharmaceutical development aims to produce, on an industrial scale, a drug candidate that is precisely characterised at the chemical and physicochemical levels and has constant properties in order to ensure the pharmaceutical quality of the product. The production of a drug candidate comprises two steps: the production of an active molecule through chemical synthesis or by biological means (the "**active pharmaceutical ingredient**" or "**API**"), followed by formulation with or without other APIs (combination therapy) and presentation in a form adapted for human administration.

Currently, our activity is focused on the initial stages of the research and development process: research and pre-clinical development. In order to carry out these complex and multidisciplinary operations, we have implemented the appropriate organizational and management procedures and brought together the know-how and expertise that we consider indispensable, or which we believe will provide us with a competitive advantage, given that most research and development takes place through subcontracting research agreements , and international collaboration of well-established and recognized labs.

2.2.2. Organisation and Management of Research and Development

Our research and development activities are organised into projects corresponding to a single drug candidate or a family of drug candidates targeting a given indication or a group of related clinical indications. The resources from the different research and development groups involved in a given project are defined on a case-by-case basis and are subject to regular evaluation and reallocation. Successive phases are distinguished in the progress of a project, defined in reference to stages S0 to S3.



These stages correspond to a set of prerequisites that we have determined based on standard industry practices, particularly for the early stages (S0 and S1), and on regulatory validation steps for the subsequent stages (S2 and S3). The decision that a development stage has been reached, with the resulting

phase modification, is made by our executive committee, which carries out periodic reviews of the projects and distributes resources accordingly.

(a) Pre-S0: "exploratory research" phase. There is no defined project but a set of possible projects identified by us or through an external opportunity. The objectives are to build a scientific rationale for pharmacological intervention in an indication group and to create or strengthen intellectual property elements. Projects in the exploratory research phase can lead to the implementation of a research and development project when the prerequisites of stage S0 are achieved (validation of the efficacy *in vitro* and intellectual property).

(b) S0: initial definition of a project. The research project is in the "feasibility/validation" phase. This phase aims to characterise a drug candidate and demonstrate its efficacy through pre-clinical studies in cellular or animal models. From an economic and organisational point of view, the passage to stage S1 is an essential step and a notable advancement for the project because the beginning of pharmaceutical development represents a very significant portion of research and development costs.

(c) S1: selection of a drug candidate and of an indication. the project is in the "pre-clinical development" phase. In the pre-clinical phase, the drug candidate is defined, and studies are carried out according to a regulatory reference system. For pharmaceutical development aspects, this consists of, more precisely, the implementation of a production method, the production of pilot industrial batches, the definition of temporary product specifications and the setting-up of analytical controls. Concurrently, the non-clinical studies in pharmacology, toxicology and pharmacokinetics required for the file presented to the regulatory agencies during the start of clinical trials are carried out. This phase of the project largely involves subcontractors. It is to be noted that preclinical studies and pharmaceutical development studies continue throughout the project, depending, in particular, on regulatory requirements and any changes in the scale of industrial production of the drug candidate.

(d) S2: first administration to humans. The project is in the phase of "clinical development aimed at proving the concept". The first administration to humans corresponds to Phase I clinical trials and is subject to authorization by the competent regulatory authorities.

(e) S3: first clinical efficacy data in humans (proof of the concept). Stage S3 corresponds to the end of one or more Phase II studies. A summary of the results is generally submitted to the regulatory authorities at the end of the Phase II trial.

After reaching stage S3, a decision is made as to whether to continue development with large scale studies aimed at obtaining a marketing authorization and whether to continue studies with our own resources or through a strategic partnership, which would allow the sharing of costs by sharing the commercial rights if the project is successful.

Currently, Solstar's research activities focus on the initial stages of the research, mainly S0 to S1. The starting point for our research is largely external to Solstar. To build our drug candidate portfolio, we acquire patent rights primarily from academic research: these are patents for active molecules, therapeutic methods or ensuring some exclusivity for the exploitation of drug candidates targeting an indication. This means that in the future, Solstar is planning to acquire some existing technology from other researchers in which Solstar will have exclusive user rights in combination with its drug candidates for specific indications. Solstar will not possess the intellectual property rights for the initial technology, it only will acquire the intellectual of the technology in combination with its drug candidates. This way the initial researcher can license or explore his technology for other indications that are not associated with Solstar.

We focus our research resources on the high value-added stage, between stages S0 and S1, and do not carry out the high-risk stage of initial identification of drug candidates ourselves, but rather by acquiring or collaborating with third parties who have a command of the technologies involved. Therefore, we do

not have in-house technologies for the discovery of drug candidates targeting a given indication. We develop our portfolio candidates by acquiring already described research from scientific researchers with a high level of expertise and recognition in their corresponding scientific community. This ensures that Solstar is viewed as a legitimate and reliable business with the ability to continue development for laboratories working in the field of microbial infections and/or oncology. The involvement of our founders who are scientists and who have made very significant contributions to the progress in our field is another key element that plays a predominant role and ensures our visibility.

Our added value in research lies in the characterization stage of the pharmacological activity of a drug candidate and in the selection of the relevant indication for clinical development. This validation stage for a therapeutic concept requires *in vitro* and *in vivo* efficacy models, the ability to evaluate pharmacodynamic activity in the relevant animal models, and expertise in clinical biology permitting the design and realisation of retrospective studies in collaboration with academic research institutions and hospital staff.

2.2.3. Research & Development Projects

Solstar will primarily develop formulated active pharmaceutical ingredients to treat *H. pylori* infections and/or acute myeloid leukemia (AML).

Various *in vitro* experiments have been established to test the effectiveness of our formulated compounds against various bacterial strains or AML cancer cell lines. Our results have been promising and *in vivo* animal studies are underway to show their effectiveness against bacterial infections or against AML mouse model systems. Once successfully completed, our compounds will be optimized for GMP manufacturing and scale-up in order to generate reproducible and stable formulated active pharmaceutical ingredients (APIs) that will be adapted to Solstar's planned human clinical trials.

2.2.4. Helicobacter pylori *Project*

H. pylori, is a Gram-negative, microaerophillic, spiral bacillus that was discovered in 1982 by Nobel Prize laureates Marshall and Warren. They isolated and later cultured this previously unidentified bacterium from biopsies of gastric mucosa obtained from patients with gastritis or peptic ulcer disease (PUD). It is now known that *H. pylori* is responsible for one of the most prevalent and persistent bacterial infections with an estimated global prevalence of 50%. Prevalence as high as 90% and 40% have been reported for developing and developed countries, respectively. These marked differences in infection rates have been attributed largely to urbanization in western countries and poor sanitation standards in the developing countries. Furthermore, *H. pylori* infection is primarily acquired via fecal-oral contamination during childhood in the developing countries with horizontal (i.e., interfamilial) transmission as the main route of transmission whereas in the developed countries, vertical (i.e., mother-to-child) transmission is dominant. Once established, infection with *H. pylori* persists for the lifetime of the patient until it is eradicated with appropriate anti-secretory/antimicrobial combination therapy.

Numerous studies have established that *H. pylori* is one of the most common causes of PUD (i.e., gastric and duodenal ulcers) and dyspepsia alongside chronic use of non-steroidal anti-inflammatory drugs (NSAID). In the United States, it has been found to be present in the gastric mucosa of 30-40% of the general population with commensurately significantly higher colonization rates in patients with duodenal (95%) and gastric (70%) ulcers. Moreover, chronic infection with *H. pylori* is also an important risk factor for several serious gastric pathologies including mucosa-associated lymphatic tissue (MALT) lymphoma and gastric adenocarcinoma which remains the second leading cause of cancer mortality in the world. Interestingly, although it is estimated that 50% of the worldwide population is infected with *H. pylori*, only about 2% will ever develop gastric cancer. In addition, studies have shown that *H. pylori* infection may also play a role in the pathogenesis of several non-gastric conditions such as iron deficiency anemia, vitamin B12 deficiency, idiopathic thrombocytopenia purpura (ITP), neurodegenerative disorders, and, metabolic syndrome.

2.2.4.1. Eradication Therapy for H. pylori

Current treatment modalities for *H. pylori* infection generally consist of combination therapy regimens with various anti-secretory agents such as proton pump inhibitors (PPIs), antibiotics and Bismuth salts.

2.2.4.2. List of Drugs Used to Treat H. pylori *Infection in North America*

(a) Proton Pump Inhibitors: Omeprazole, lansoprazole, pantoprazole, esomeprazole, rabeprazole;

(b) Antibiotics: Clarithromycin**, amoxicillin, metronidazole, tinidazole, tetracycline, rifabutin, ciprofloxacin, azithromycin, furazolidone, levofloxacin**, fluoroquinolones; and

(c) Bismuth Salts: Bismuth subsalicylate, bismuth subcitrate.

** Prevalence of drug resistance to these agents has been reported to be increasing. It is important to note the optimal treatment for *H. pylori* infection has not yet been definitively established and that eradication with antimicrobial monotherapy is not possible.

2.2.4.3. H. pylori *infection: Current Therapy*

For first-line triple therapy (e.g., in recently diagnosed patients), a frequently used regimen consists of a proton pump inhibitor (PPI) given in combination with clarithromycin and amoxicillin and that is administered for up to fourteen consecutive days. Eradication rates of more than 80% have been successfully reported with this regimen when pre-treatment resistance to clarithromycin is low (i.e., <15 to 20%). However, the efficacy of H. pylori eradication treatment has decreased dramatically because of antibiotic resistance. In some regions, worldwide clarithromycin-containing regimens are no longer suitable as a treatment option because of inadequate eradication rates (<80%). As it is also the case with most other infectious diseases, poor patient adherence to therapy is believed to be increasing resistance to antibiotics such as clarithromycin and levofloxacin that are used in *H. pylori* treatment regimens.

When the usual first-line eradication therapy for *H. pylori* infection fails, physicians will generally resort to the use of a quadruple (quad) or four-drug second line regimen. These regimens may or may not include a bismuth salt used in combination with a PPI and antibiotics. An example of a second-line bismuth-containing therapy consists of bismuth subsalicylate/subcitrate, a PPI, metronidazole, and tetracycline which would be taken for 10 to 14 days.

Bismuth-based quad regimens such as the one described above are also indicated for first-line or initial therapy in patients that are known to be infected with *H. pylori* strains exhibiting reduced susceptibility to clarithromycin or for treatment in geographic regions where there is a relatively high documented prevalence (i.e., >20%) of drug resistance to clarithromycin.

Alternatively, non-bismuth-based quad regimens such as, for example, a PPI, amoxicillin, clarithromycin, and metronidazole or tinidazole can also be prescribed for 10 days as second-line therapy for eradication of *H. pylori* infection.

There is also data that suggests that levofloxacin-based triple therapy (i.e., PPI, amoxicillin and levofloxacin) may be considered for second-line treatment. However, routine clinical use of these regimens requires further validation, and they should be reserved for salvage or rescue therapy when most other recommended therapeutic options have been exhausted.

Finally, options for third-line or salvage treatment of *H. pylori* infection are currently very limited. In these cases, further treatment with antibiotics that were used earlier during infection is not recommended. Regimens consisting of rifabutin in combination with amoxicillin and ciprofloxacin administered for 14 days have been used with success for salvage treatment despite the occurrence of severe adverse effects. Sequential therapy starting with double dose PPIs and azithromycin for 3 days followed for 10 days by a

quad regimen of double dose PPIs, tetracycline, furazolidone, and bismuth subcitrate has also been used for eradication of *H. pylori* in salvage settings. The rate of recurrence of infection with this approach has been reported to be approximately 11.5%.

Resistance to antibiotics, such as clarithromycin, which is commonly used during initial treatment of *H. pylori* infection, can significantly diminish the effectiveness of eradication therapy and limits the number of active drugs that are available for subsequent courses of therapy. The quadruple regimens used for second-line therapy or similarly when reduced susceptibility is present in treatment-naive patients also have higher pill burdens that can be challenging for patient compliance. As previously, suboptimal adherence to therapy promotes the development of drug resistance that further compromises the ability of these regimens to eradicate *H. pylori* infection. In addition, the frequency and severity of adverse events and potential for drug interactions associated with these complex regimens can further negatively impact compliance. This is of concern for older patients who are frequently prescribed multiple other drugs (e.g., antiplatelet therapy, warfarin, SSRIs, bisphosphonates, etc.) for chronic diseases and which can seriously increase their risk for the development of PUD.

Therefore, in light of the increasing prevalence of drug resistance to antibiotics and other pharmacological issues associated with complex regimens for eradication of *H. pylori*, as discussed above, there exists an important need for novel therapeutic agents with improved safety and efficacy to treat this widespread and persistent infection. New antimicrobial drugs with different mechanisms of action (MOA) that are less susceptible to the development of drug resistance and that would also allow simplification of the complex and burdensome regimens currently used for the treatment of *H. pylori* infection are needed.

Furthermore, in 2017, the WHO published its first ever list of antibiotic-resistant "priority pathogens" that comprises a catalogue of 12 families of bacteria that pose the greatest threat to human health, in which *H. pylori* is one of those bacteria. The list was drawn up in a bid to guide and promote research and development (R&D) of new antibiotics/antimicrobials, as part of WHO's efforts to address the growing global resistance to antimicrobial agents.

2.2.4.4. Anti-bacterial activity of Solstar formulated APIs against H. pylori *Strains/Clinical Isolates*

Stable and optimized formulated APIs were initially tested in standard *in vitro* microbiological assays for activity against wild type *H. pylori* and strains/clinical isolates that have acquired drug resistance to one or more antibiotics such as, for example, clarithromycin, amoxicillin and metronidazole. Our preliminary results have shown that our compounds were highly soluble in aqueous conditions and showed effective antimicrobial activity against *H. pylori* alone or in combination with antibiotics.

The formulated compounds that demonstrate the greatest anti-bacterial potency against the selected *H. pylori* strains/clinical isolates will then be retained for further experiments using animal mouse models infected with *H. pylori*. Minimal Inhibitory Concentration (MIC) levels will be determined and used to guide the determination of the dose ranges of product needed for subsequent studies.

Accordingly, the bioavailability (BA) and pharmacokinetics (PK) of our formulated APIs selected following the preliminary *in vitro* microbiological tests will be determined after single dose and/or multiple-dose administration via the oral route or intravenously in relevant animal models. *In vitro* and *in vivo* synergy studies will also be conducted to assess the potential for additive or synergistic anti-microbial or anti-cancer effects between various formulated APIs or in combination with several antibiotics or anti-cancer agents.

2.2.4.5. Gastric cancer & MALT

About 550,000 new cases a year of stomach cancer (55% of the worldwide total) are attributable to *H. pylori*. In 1994, the International Agency for Research on Cancer classified *H. pylori* as a carcinogen in humans. Since then, it has been increasingly accepted that infection with *H. pylori* is the primary identified cause of gastric cancer and of MALT lymphoma.

Gastric MALT lymphoma is a rare type of non-Hodgkin lymphoma (NHL) that is characterized by the slow multiplication of B cells (type of immune cell), in the stomach lining. This cancer represents approximately 12-18% of the extranodal (outside of lymph nodes) NHLs. The annual incidence of gastric MALT lymphoma in the US is about one case for every 100,000 persons in the population.

Normally, the lining of the stomach lacks lymphoid (immune system) tissue, but development of this tissue is often stimulated in response to colonization of the lining by *H. pylori*. Only in rare cases does this tissue give rise to MALT lymphoma. However, nearly all patients with gastric MALT lymphoma show signs of *H. pylori* infection, and the risk of developing this tumor is more than six times higher in infected people than in uninfected people

During a 15-year long-term follow-up of data from a randomized clinical trial carried out in Shandong, China (an area where rates of gastric cancer are very high) it was found that short-term antibiotic treatment to eradicate *H. pylori* reduced the incidence of gastric cancer by 40%. Numerous studies have also confirmed that gastric MALT lymphoma can show complete regression according to endoscopic, histologic, and molecular tests after *H. pylori* eradication. Thus, Solstar formulated antimicrobial agents to eradicate *H. pylori* infections will eventually help decrease the incidence of MALT-lymphoma related to *H. pylori* infection.

2.2.4.6. H. pylori *Market Data*

The world gastrointestinal pharmaceutical market is estimated to be US$49.9 billion per annum. More specifically, the 2015 global market for *H. pylori* eradication therapies was estimated at approximately US$4.83 billion (source: RedHill Biopharma, 2016). The global peptic ulcer drugs market is expected to reach US$5.92 billion by 2025 (source: Research and Markets, 2018).

The gastrointestinal products market is dominated by patent-protected therapies marketed by a small number of pharmaceutical companies. With many of the patents relating to current therapies nearing expiry, as well as the increase in antimicrobial-resistance, pharmaceutical companies participating in the gastrointestinal therapy market are actively seeking novel drugs to strengthen their product pipelines.

We believe we could benefit from our intellectual property portfolio and our unique formulated antimicrobial agents to gain significant competitive advantages for demonstrating the potential therapeutic benefit of eradicating *H. pylori* infections. Such a direct demonstration depends on our ability to identify drug candidates with features suitable for clinical use, and on our ability to continue clinical development until we have data on efficacy in *H. pylori* pathologies.

2.2.5. Acute Myeloid Leukemia Research Project

Solstar has demonstrated that various formulated APIs showing effectiveness as antimicrobial agents, also possess anti-cancer effects, mainly in AML.

Artemisinin (ART) derivatives, such as artesunate ("**ARTE**"), are very effective anti-malaria drugs that are also efficient against a variety of cancers. Their anti-tumour mechanism mainly involves the induction of oxidative stress and apoptosis. Most recently, ARTE, but not ART, was found to induce reactive oxygen species-dependent apoptosis in AML. Since its discovery in the 1970s, ART, as a therapeutic agent, was confronted with low bioavailability and easy decomposition. Therefore, more stable and bioavailable derivatives like ARTE were produced and administered intravenously, however, such production can be expensive and time consuming, limiting widespread distribution to the developing world.

Solstar has been able to demonstrate that starch glycolate-formulated ARTE ("**ARTE-SG**") was easily soluble in aqueous solutions and can be administered as an oral medication. The aim of this project is to test the efficiency of our formulated ARTE-SG *in vitro* using AML as a cellular model, and to examine the anti-tumour mechanisms that characterise ARTE.

2.2.5.1. Artemisinin & malaria

In 1971, Youyou Tu and her team isolated the anti-malaria drug, artemisinin (ART) from the leaves of *Artemisia annua* following instructions from an ancient Chinese text (Phillips et al., 2017; Tu et al., 1982). Because of ART's poor solubility, many semi-synthetic derivatives were produced, among which artesunate (ARTE) is the most important with better stability and water solubility (Klayman, 1985; Loo et al., 2017). ART and its derivatives possess an endoperoxide linkage (O-O), which can be cleaved by a heme iron, inside plasmodium-infected erythrocytes, resulting in the generation of reactive oxygen species (ROS) that lethally damage malarial parasites (Chaturvedi et al., 2010). The efficiency of ART derivatives in treating malaria and saving millions of lives was crowned by awarding Tu the 2015 Nobel prize in medicine (Van Voorhis et al., 2015). Beside their anti-malaria action, ART derivatives proved effective against a wide spectrum of diseases including inflammation, viral infection and cancer (Ho et al., 2014).

2.2.5.2. Artemisinin derivatives & cancer

In 2001, Efferth et al. showed that ARTE possesses an anti-cancer activity, especially, against colorectal cancer and leukemia cells (Efferth et al., 2001). Subsequently, around 300 research papers addressing the effect of ARTE in a wide spectrum of cancers were published during the following 17 years (as for March-2018, source: Web of Science). For instance, ARTE demonstrated anti-cancer effects against neuroblastoma (Michaelis et al., 2010), breast cancer (Hamacher-Brady et al., 2011), glioblastoma (Berte et al., 2016), liver cancer (Zeng and Zhang, 2011), renal carcinoma (Jeong et al., 2015), schwannoma (Button et al., 2014), oesophageal squamous cell carcinoma (Shi et al., 2015), hepatocellular carcinoma (Pang et al., 2016) and ovarian cancer (Greenshields et al., 2017). In addition, ARTE and its active metabolite dihydroartemisinin (DHA) exhibited chemo-sensitizing effects when combined with conventional chemotherapeutic drugs, such as with temozolomide in glioma (Huang et al., 2008), gemcitabine in pancreatic cancer (Wang et al., 2010), cyclophosphamide and cisplatin in lung cancer (Zhou et al., 2010) and epirubicin in breast cancer (Chen et al., 2014). Moreover, ART derivatives have even made it to Phase I and Phase II clinical trials for many solid tumours with promising results. Several anti-tumour mechanisms of actions have been attributed to ART derivatives, the most described being oxidative stress, induction of apoptosis, inhibition of angiogenesis, cell cycle arrest and ferroptosis (Slezakova and Ruda-Kucerova, 2017).

2.2.5.3. Artemisinin derivatives & acute myeloid leukemia

Most recently, ARTE was shown to increase ROS production in AML resulting in cell death and inhibiting the growth of leukemic cells *in vitro* (Drenberg et al., 2016; Kumar et al., 2017; Tan et al., 2017). In addition, ARTE had high sensitivity towards AML cells carrying MLL rearrangements and FLT3-ITD mutations, and showed potentiating synergy when combined with cytarabine (Ara-C) *in vitro*, but its effect *in vivo* remains controversial (Drenberg et al., 2016; Kumar et al., 2017). In contrast with ARTE, ART was much less effective on the proliferation and cytotoxicity of AML cells *in vitro* due to its low bioavailability (Kumar et al., 2017).

2.2.5.4. Artemisinin delivery solutions

Since its discovery in the 1970's, ART, as a therapeutic agent, was confronted with low bioavailability and easy decomposition due to its hydrophobicity, besides its low solubility and stability. Therefore, in the absence of an efficient controlled-release system, the production of better derivatives that are more stable and bioavailable was the only choice. However, such production can be expensive and time consuming, making widespread distribution of pharmaceutical products to the developing world limited and ineffective.

The Solstar method to formulate APIs will be used to sustain drug release, solubilize the API and obtain an increased drug bioavailability, diminish drug toxicity and act as an efficient delivery system for

biodegradable drugs. Thanks to the above-mentioned benefits, ARTE will be formulated, and called ARTE-SG, and produced for future analysis against AML.

2.2.5.5. AML preliminary data

The aim of this project is to test the solubility and anti-cancer efficiency of ARTE-SG using AML as a cellular model. Our objectives were to screen the effect of ARTE-SG on the proliferation of multiple AML cell lines that are available in the lab, to test the effect of ARTE-SG on ROS production, and to test whether a synergic effect exists between ARTE-SG and Ara-C in vitro (Ara-C is the conventional drug used in AML chemotherapy).

Taken together, these objectives will clarify the efficiency of ARTE-SG in vitro and will examine the competence of ARTE-SG in executing the anti-tumour mechanisms that characterise ARTE.

Based on our preliminary data, our results showed that ARTE-SG, contrarily to its native form, was readily soluble in aqueous solutions with a relatively long stability. Moreover, although prepared in water, ARTE-SG was as efficient as the control ARTE non-formulated compound prepared in methanol in inhibiting the proliferation of AML cell lines in vitro. This suggests that our formulation may provide major advantages to ARTE's bioavailability in vivo. In addition, our results showed that ARTE-SG had potentiating effects when combined with Ara-C, the main AML treatment, suggesting that ARTE-SG could help eradicate AML cells that are Ara-C resistant.

Our pharmacokinetic results indicate that higher concentration of ARTE-SG can be delivered by IV route compared to ARTE alone with a maximum of 3.5 mg/kg in mice. However, this concentration offers a maximal plasmatic concentration (Cmax) of less than 0.1 nmol/mL (100 nM), which was not enough to eradicate AML in vitro. Since our formulation is primarily developed for use as an oral medication excipient, up to 200 mg/kg could be delivered by oral administration with a Cmax of 0.5 nmol/mL (500 nM) for both ARTE and ARTE-SG. This corresponds to the IC50 dose obtained in vitro.

Although both drugs showed a similar pharmacokinetics, ARTE-SG seems to offer a slower release of the metabolite dihydroartemisinine (DHA) compared to ARTE. DHA is the active metabolite of all ARTs.

2.2.5.6. Future Objectives in AML Research Project

ARTE-SG could next be tested in co-culture experiments with mesenchymal stromal cells (MSC) either in the presence or absence of Ara-C (AML cells co-cultured with MSC are resistant to Ara-C), the effects of the molecules could also be tested in models of leukemic stem cells versus blasts in a specific leukemic cell line, in primary AML samples (after obtaining clinical agreements) and in xenotransplantation *in vivo*.

(a) **To test the effects of ARTE-SG on AML cells that are resistant to Ara-C.** In general, around 50% of AML patients relapse after therapy due to chemoresistance. Therefore, it is of interest to investigate whether ARTE-SG is efficient against leukemic cells that are resistant to Ara-C.

(b) **To study the effects of ARTE-SG on AML cells in co-culture with mesenchymal stromal cells (MSC).** One of the mechanisms of chemoresistance in AML is the persistence of a small population of leukemic stem cells (LSC). The cells are sheltered in the bone marrow microenvironment where they get in contact with MSCs and other factors which contribute to their quiescence and resistance to therapy that mainly targets proliferating cells. One promising therapeutic approach is to use pro-oxidant drugs that may increase ROS level in those cells putting them back in cycle and synthesizing them to anti-proliferation drugs (such as Ara-C), or even increasing ROS level beyond some toxicity threshold leading to cell death. Here, we hypothesise that ARTE harbouring an endoperoxide linkage (O-O) could be a

promising pro-oxidant therapeutic drug and we intend to demonstrate that ARTE-SG maintains such quality.

(c) **To test the effects of ARTE-SG in combination with a new generation of drugs.** After the success of the tyrosine kinase inhibitors (TKI) in chronic myeloid leukemia (CML) and other non-haematological malignancies, researchers and pharmaceutical companies have developed new drugs to directly target molecular abnormalities in AML cells such as the internal tandem duplication of FLT3 gene (FLT3-ITD). This mutation, that is associated with bad prognosis, occurs in around 40% of AML patients with normal karyotype and results in the constitutive activation of the TK receptor FLT3. Of interest, MV4-11 is a well-established leukemic cell line with near-diploid karyotype and harbouring FLT3-ITD mutation. Therefore, to investigate whether ARTE-SG might work, not only with Ara-C, but also in combination with other inhibitors, we will check their effects in combination with Quizartinib, an inhibitor of FLT3-ITD. We propose that the combination would show cooperative effects which, if proven, would be promising for future therapeutic combination approaches especially since TKI are usually confronted with drug resistance.

(d) **Compare the efficiency of ARTE-SG in mice transplanted with human leukemic cells.** The pharmacokinetic analysis was performed in order to define the protocol to treat leukemia in xenografted mice. The next objective in the development of ARTE-SG will be to compare its efficiency in combination with ARA-C in mice transplanted with human leukemic MV4-11 cell line as a model. The work will be done at the TrGET Platform in Marseille, France. A luciferase-expressing strain of MV4-11 cell line will be used. This will allow us to follow leukemic invasion in real time. This cell line was developed by TrGET. Leukemic progression will be followed weekly by bioluminescence.

Taken together, the AML project will help us get a better view of the efficiency of ARTE-SG in combination with the conventional Ara-C treatment in more physiological conditions (in vivo), and to determine whether it could be helpful in re-sensitizing the leukemic cells to the conventional treatment. Moreover, this work will also participate in a better understanding of the mechanism by which ARTE eliminates leukemic cells (sensitive and chemo resistant) and would be also considered as a step forward prior to the in vivo mouse models that we will plan in the future. Finally, this work will determine whether ARTE-SG might help in combination strategies targeting to prevent chemoresistance and eradicate leukemic cells.

In summary, we have proved that our formulated ARTE offers high stability and better solubility *in vitro*. We have also demonstrated a potentiating, possibly synergistic, effect of formulated ARTE in combination with ARA-C *in vitro*. However, the beneficial *in vivo* effect of ARTE in combination with Ara-C in AML therapy, up to now, remains controversial. This controversy could result, at least in part, from the mode and frequency of administration because ARTE is highly reactive and is known to have low stability. Our pharmacokinetic results suggest that oral administration is more suitable than intravenous injection and that formulated ARTE may offer a more tardive release of DHA, the active metabolite. Although we will not suggest ARTE as alternative of Ara-C in AML therapy, this work will help to shed light on the benefit of combination therapy (ARTE + Ara-C) in the eradication of leukemic stem cells and chemo-resistant cells. Besides, this work will also show whether formulated ARTE has a superior efficacy compared to ARTE when combined with ARA-C *in vivo*.

2.2.6. Synthesis & Development of a new class of antibiotics

2.2.6.1. Scientific project: Synthesis of D-series thiopeptides and analogs

In the first quarter of 2019, Solstar has acquired from VFP Therapies (based in Rouen, France) the exclusive rights of the intellectual property for the synthesis and development of a new class of antibiotics: novel D-series thiopeptides and their analogs. These powerful synthetic tools will help

develop a general versatile and highly flexible route to D-series thiopeptide antibiotics. Our objectives will be to synthesize various thiopeptide derivatives and test their antimicrobial properties *in vitro* and *in vivo* mouse models against various bacterial strains shown to possess antibiotic resistance. Successfully screened compounds will ultimately advance into human trials.

We will conduct our research objectives from established collaborations either with academic organisations directly or through collaboration research agreements, exploratory research programmes that could give our portfolio new drug candidates in the field of antimicrobial resistant infections. We are also strengthening our technological abilities in the field of solubility to enhance the bioavailability of our antimicrobial agents. During the exploratory stage, these research programmes only require a small fraction of our resources.

2.2.6.2. Synthesis and pharmaceutical evaluation of new class of antibiotics

The global increase of infections caused by drug-resistant bacterial pathogens through several mechanisms (alteration of the target, enzymatic deactivation of the drug, restricted antibiotic penetration, and increased efflux), now represent a health threat in our modern society. Methicillin-resistant Staphylococcus aureus and epidermidis (MRSA, MRSE), vancomycin-resistant enterococci (VRE) and penicillin-resistant Streptococcus pneumoniae (PRSP) are currently causing an alarming threat to patients worldwide.

The most viable course of action against drug-resistance is certainly to discover continually new antibiotics against multiple drug resistant bacteria through novel modes of action. But to date, the discovery of novel major class of antibiotics have been halted for decades and research of novel human antibiotic therapy is now becoming one of the major societal objectives and major scientific programs for the future.

2.2.6.3. Thiopeptides: new class of antibiotics

Despite being known for 50 years, the D- and E-series thiopeptide antibiotics are currently being highly reinvestigated. The thiopeptides structurally characterized by two main blocks, a peptide chain which includes modification of many cystein and serin units to thiazol(in)e and oxazol(in)e rings (Loop) connected to a pyridine-derived core heterocycle, are divided in five main series.

This large group of highly modified macrocyclic peptides are produced by bacteria, the micrococcin being the first isolated thiopeptide (Oxford, 1948). Most of them are potent *in vitro* growth inhibitors of Gram-positive bacteria, including the multi-drugs resistant Staphylococcus aureus strains (MRSA) through two original modes of action of the inhibition of the protein synthesis that has so far not been exploited by human therapeutics. The most thoroughly studied thiopeptide antibiotics possess an antibacterial profile similar to penicillin.

The first advanced development for human use concerns the compound GE2270A, which completed a Phase I clinical trial for the treatment of acne. To date, the low water solubility has kept the D-series thiopeptide antibiotics from human use. Several introductions or modifications have been used to enhance their solubility but are often accompanied with a decrease in their antimicrobial activity. The most pharmacologically-advanced and water-solubility improved D-series thiopeptide antibody LFF571 developed by Novartis is currently being evaluated for treating Clostridium difficile intestinal infections.

Through intensive research to elucidate the biosynthesis of these complex structures, it was recently determined that the structure of thiopeptides are chromosomally encoded and ribosomally synthesized. These spectacular findings have recently opened a novel area in the structurally-controlled naturally-occurring thiopeptide biosynthesis through genomic modulations.

All this biological research is naturally combined with active international research in synthesis for several objectives, characterization of naturally-occurring products, large scale production, versatile and

innovative structural modifications. This domain stays the most viable approach to bring original structural targeted modulations in order to improve physical and pharmaceutical properties. However, the architecturally-complex thiopeptide represents a high challenging synthetic target and currently only less than 10 natural thiopeptides including GE2270 and GE37468A have completely succumbed in total synthesis and more important, current developed synthetic routes remain extremely sophisticated limiting the access to these structures and structural modulations.

By combining Solstar's and our collaborator's expertise with the synthesis of D-series thiopeptides and structurally modified analogs with better water-soluble properties, we will evaluate the antibiotic properties of our compounds against various antibiotic-resistant bacterial strains.

2.3. Development of Business

The Fund was created on July 18, 2019, such that there have been no events or conditions that could have influenced the development of the Fund during the previous two years.

Solstar was incorporated under the *Business Corporations Act* (Quebec) on February 22, 2017. Since that date, Solstar has used the proceeds from sales of debentures to finance its operations..

2.4. Long Term Objectives

The long term investment objective of the Fund is to generate profit by means of investment in Solstar for the benefit of Unitholders.

Solstar's long term objective is to manufacture and commercialize formulated antimicrobial and anti-cancer agents to treat antimicrobial-resistant infections and various types of cancers.

Our long-term objectives are as follows:

(a) *H. pylori* project: *in vivo* mouse model tests & Human trials

(i) Time Period: Fourth quarters of 2019 and over 2020:

- Combination tests of formulated compounds with antibiotics;
- Approximate cost: $120,000.

(ii) Time Period: 2020-2023:

- GMP Manufacturing of formulated compounds (2020);
- *H. pylori* initial human clinical trial (2020-2023);
- Approximate cost: $5,000,000-15,000,000.

(b) Synthesis & Analysis of New Class of Antibiotics

(i) Time Period: 2020-2022:

- Synthesis of antibiotics (VFP Therapies);
- Biological efficacy (*in vitro* and *in vivo* antimicrobial tests);
- Approximate cost: $300,000.

(c) Acute Myelogenous Leukemia Project

(i) Time Period: 2020-2021:

- *in vitro* tests of formulated compounds (2020);
- *in vivo* tests of formulated compounds (2020-2021);
- Approximate cost: 200,000.

2.5. Short Term Objectives and How We Intend to Achieve Them

2.5.1. Short Term Objectives of the Fund and How it Intends to Achieve Them

The Fund's objectives for the 12 months following the date of this Offering Memorandum are as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Complete additional tranches of the Offering and subscribe for Shares of Solstar for corresponding amounts.	12 months	$125,000[(1)]

(1) Assuming costs to complete the Minimum Offering.

2.5.2. Short Term Objectives of Solstar and How They Intend to Achieve Them

Solstar's objectives for the 12 months following the date of this Offering Memorandum are as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Reimburse outstanding loans	1 month	$3,700,000
Pre-clinical Studies	12 months	$2,000,000
Acquisition of new Intellectual property/new technology	12 months	$1,000,000

The Trustees may use Proceeds from the Offering for uses that are not described herein or to attain an objective that is not described herein without requesting the consent from or notifying the Unitholders.

2.6. Insufficient Funds

While the Fund does not require funding to pursue its activities, it will seek to make additional investments in Solstar for it to be able to pursue its objectives. Consequently, closings of the Fund shall occur from time to time during the course of the Offering. The proceeds of the Offering that will be

invested in Solstar may not be sufficient to accomplish all of Solstar's objectives and there is no assurance that alternative financing will be available. See Item 8 - Risk Factors.

2.7. Material Agreements

The Fund and Solstar have entered into, or will enter into, the material agreements set out below.

It should be noted that the Corporation is a "related party" to Solstar within the meaning of the term as defined under Multilateral Instrument 61-101 by virtue of Peter Mentzelos and Dionissios Baltzis each being an officer, director, and principal shareholder of both entities. Consequently, the transactions contemplated by the Deed of Hypothec (as defined below) and the Loan Agreement (as defined below) are each deemed to be a "related party transaction" under MI 61-101.

2.7.1. Trust Agreement

The Fund was created pursuant to an Amended and Restated Trust Agreement entered into by Dionissios Baltzis, Geneviève Forget, and Rocco Di Fruscia (as trustees) and Athanasios Baltzis (as settlor), on July 18, 2019. The Fund is governed by the laws of the province of Quebec.

Dionissios Baltzis, Geneviève Forget, and Rocco Di Fruscia act as the trustees of the Fund pursuant to the Trust Agreement. The Trustees have those powers and responsibilities in respect of the Fund as described in the Trust Agreement. The Trustees shall exercise the powers and discharge the duties of their office honestly and in good faith and, in connection therewith, shall exercise the care, diligence and skill that a reasonably prudent trustee would exercise in the circumstances.

For their services under the Trust Agreement, the Trustees shall be reimbursed all reasonable expenses incurred by the Trustees in the discharge of their duties.

Each Trustee may be removed as trustee of the Fund by an ordinary resolution of all Unitholders of the Fund voting together or by at least two other Trustees in either case upon 30 days' written notice to such Trustee.

Under the terms of the Trust Agreement, the Trustees benefit from a general disclaimer of liability and has a right of indemnification from the Fund for any claims or liabilities arising out of the execution of each of their duties as trustee, except in cases of wilful misconduct, bad faith, or material breach or default of its duties hereunder or breach of its standard of care.

2.7.2. Shareholders Agreement

The Fund is a party to the Shareholders Agreement of Solstar dated as of October 22, 2019, 2019, along with Dionissions Baltzis, B-Organic Films Corp., Massimiliano Arella, Peter Mentzelos, WhiteHaven Holding Inc., and to which the Corporation is an intervening party (the "**Shareholders Agreement**"). Certain sections of the Shareholders Agreement constitute a unanimous agreement of the shareholders within the meaning of the *Canada Business Corporations Act*, RSC 1985, c C-44.

The authorized capital stock of the Corporation consists of an unlimited number of Class A and B common shares, and an unlimited number of Class A, B, C and D preferred shares. There are currently no issued preferred shares.

The Shareholders Agreement establishes the respective rights and obligations of the shareholders of Solstar, which can be summarized as follows:

(a) **Voting**: Class A common shares are voting shares, while Class B common shares are non-voting shares;

(b) **Pre-emptive right**: Upon the issuance of new shares or convertible securities of Solstar ("**New Shares**"), the New Shares shall first be offered to the shareholders proportionally to the number of voting shares that they hold. As a Class B common shareholder, the Fund will not possess a pre-emptive right;

(c) **Right of First Offer**: Any shareholder wishing to transfer shares or convertible securities of Solstar to a third party ("**Securities Contemplated by the Offer**") shall first offer the Securities Contemplated by the Offer to shareholders holding voting shares (the "**Beneficiaries**");

(d) **Tag Along Right**: If, following the exercise of the Right of First Offer, a third party that is approved by all voting shareholders to become a voting shareholder of Solstar (the "**Buyer**") would hold a number of voting shares exceeding 50% of the votes attaching to the voting shares of Solstar, any Beneficiary shall have the right to demand that the Buyer acquire all of the securities and convertible securities that it holds at the same price and on the same terms and conditions as those offered to the selling shareholder;

(e) **Drag Along Right**: If, following the exercise of the Right of First Offer and the Tag Along Right, the Buyer holds more than 66⅔% of the votes attaching to the voting shares of Solstar, the shareholders having sold their shares to the third party shall have the right to demand that all of the other Shareholders Transfer all of the Shares and convertible securities that they hold to the Buyer at the same price and on the same terms and conditions as those offered for the Securities Contemplated by the Offer;

(f) **Involuntary Withdrawal Events**: In the event a shareholder holding voting shares in Solstar is placed under trusteeship or curatorship, is absent for a period of six months, suffers a disability or dies, such shareholder irrevocably offers to sell to Solstar all shares and convertible securities it owns in accordance with the determination of their fair market value as specified in Article 14 of the Shareholders Agreement;

(g) **Compulsory Withdrawal Events:** In the event of any of the following events, shareholders of Solstar irrevocably offer to sell to Solstar all shares and convertible securities they own in accordance with Article 11.2 of the Shareholders Agreement:

(i) A shareholder makes an assignment for the benefit of creditors or filing for bankruptcy;

(ii) A shareholder refuses to comply with the Shareholders Agreement and failure to remedy the default within ten (10) days;

(iii) A shareholder becomes a party to a proceeding that may result in the transferring of shares or convertible securities of Solstar to their spouse or former spouse;

(iv) A shareholder fails to satisfy and cancel any process of execution enforced or levied upon the shares or convertible securities of Solstar owned by such shareholder, within a period of thirty (30) days of such process or levy;

(v) A shareholder fails to obtain the cancellation of any prior notice of exercise of a hypothecary right or any other entry affecting the shares or convertible securities of Solstar owned by such shareholder in favour of any creditor within thirty (30) days of their publication or registration;

(vi) A shareholder permits the shares or convertible securities of Solstar it owns to be encumbered, transfers of any of its shares or convertible securities in breach of the

Shareholders Agreement, and/or in the case of a controlling shareholder, permits a change of control and such default is not remedied within thirty (30) days;

(vii) A shareholder is found guilty of an indictable offense and sentenced to a term of imprisonment of three (3) months or more; and

(viii) found guilty by a court of competent jurisdiction of theft, fraud or embezzlement;

(h) **Insurance**: Solstar may take out, at its own expense, one or several insurance policies on the life of the voting shareholders or controlling shareholders; and

(i) **Death**: The Corporation shall collect the proceeds of the insurance policies referred to above as soon as possible following the death of an insured person.

2.7.3. Loan Agreement

The Corporation (Solstar Capital Inc.), as lender, entered into a non-revolving loan facility agreement with Solstar (the Loan Agreement) prior to the closing of an offering consisting of a minimum of 200 secured exchangeable debentures of the Corporation (the "**Debentures**") offered at a price of $1,000 per debenture (the "**Debenture Offering**"), on a private placement basis, for minimum gross proceeds of $200,000 in respect of unsecured loan advances made by the Corporation to Solstar (the "**Loan Advances**").

Pursuant to the terms and conditions of the Loan Agreement, the Corporation has provided one or more Loan Advances to Solstar in the aggregate amount of up to $5,000,000 to finance the Business. In exchange for the Loan Advances, Solstar pays the Corporation administrative fees equivalent to the costs of the Debenture Offering, selling commissions and other fees payable by the Corporation in connection with the Debenture Offering.

Upon the closing of each tranche of the Debenture Offering and following payment of an administrative fee by Solstar to the Corporation, the Corporation disburses a Loan Advance to Solstar in an amount equal to the gross proceeds from the closing of the Debenture Offering. The Corporation uses the administrative fees to pay the Debenture Offering costs, selling commissions, and other fees payable in connection with the Debenture Offering. Upon completion of a Debenture Offering, Solstar continues to pay administrative fees to the Corporation equal to the operating costs and other fees payable by the Corporation from time to time until the earlier of the redemption of the Debentures by the Corporation and the maturity or exchange of the Debentures.

Each Loan Advance bears interest at a rate equal to the corresponding amount of interest payable by the Corporation to the holders of Debentures sold by the Corporation to finance the advance, payable at the time that the interest payments to such holders of Debentures become due, and is repaid by Solstar as the Debentures sold by the Corporation to finance the advance come to maturity or are otherwise redeemed by the Corporation. Each Loan Advance is subject to a movable hypothec in favor of the holders of Debentures pursuant to the Deed of Hypothec (defined below).

Upon the exercise of the exchange right by a holder of a Debenture pursuant to the terms and conditions of the Debentures and the issuance of underlying common shares in the share capital of Solstar, a portion of Solstar's outstanding indebtedness under the Loan Agreement equal to the aggregate exchange price of the Debentures issued by Solstar is deemed repaid.

2.7.4. Deed of Hypothec

The Debentures issued pursuant to the Debenture Offering are collectively secured by a deed of hypothec (the "**Deed of Hypothec**") entered into prior to the closing of the Debenture Offering between the Corporation and Solstar, as grantors, and the person appointed as hypothecary representative acting in

such capacity for the holders of Debentures within the meaning of Article 2692 of the Civil Code of Québec. The Deed of Hypothec provides for, *inter alia*, a first-ranking hypothec, in favour of the hypothecary representative for the benefit of the holders of Debentures, to the extent of $5,000,000 with interest thereon at the rate of 25% per annum, charging as a universality, all corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired by the Corporation or Solstar.

2.7.5. Agreements With Selling Agents

The Fund will sign agreements with selling agents in connection with the issuance of the Units. The Fund intends to offer the following remuneration to the selling agents in connection with the Offering:

Offered Securities	Selling commissions and fees
Units	Up to 10% of the gross proceeds from the sale of the Units.

It is anticipated that WhiteHaven will act as a selling agent under the Offering. Athanasios Baltzis, director, officer and control person of WhiteHaven, is the brother of Dionissios Baltzis, Vice-President and Secretary of Solstar and President and director of the Corporation and, as such, Solstar and the Corporation could be considered "connected issuers" of WhiteHaven under applicable Canadian securities laws. Athanasios Baltzis has also acted as the settlor of the Fund.

WhiteHaven is wholly-owned by WhiteHaven Holding Inc., which, as of November 22, 2019, owns 5% of issued and outstanding Shares of Solstar, which will be a "related issuer" of the Corporation upon completion of the Debenture Offering, and, as such, the Corporation could be considered a "connected issuer" of WhiteHaven under applicable Canadian securities laws.

2.7.6. Auditor

The auditor for the Fund is PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., or such other auditor determined by the Trustees.

2.7.7. Legal Counsel

The legal counsel of the Fund is Fasken Martineau DuMoulin LLP, or such other party as the Trustees may retain.

ITEM 3. INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1. Compensation and Securities Held

3.1.1. Solstar

The following table presents the information regarding compensation and securities held for each director, officer and promoter of Solstar as well as each person who owns or exercises control or direction over shares of Solstar, including holders of more than 10% of the voting securities of Solstar (a "**principal holder**"). It should be noted that only Class A shares of Solstar are voting.

Name and municipality of principal residence	Position held and date position was obtained	Compensation paid by Solstar in the last financial year and compensation expected in the current financial year	Number, type and percentage of securities of Solstar held prior to the Offering	Number, type and percentage of securities of Solstar held after the Offering
B-Organic Films Corp. Montreal, Quebec		2018: $0 2019: $0	50 Class A Shares (50%)	50 Class A Shares (50%)
Peter Mentzelos Laval, Quebec	Secretary and principal holder since February 22, 2017 (date of incorporation)	2018: $85,000 2019: $85,000	25 Class A Shares (25%)	25 Class A Shares (25%)
Dionissios Baltzis Laval, Quebec	President and principal holder since February 22, 2017 (date of incorporation)	2018: $115,000 2019: $115,000	20 Class A Shares (20%)	20 Class A Shares (20%)
WhiteHaven Holding Inc.	n/a	2018: $0 2019: $0	5 Class A Shares (5%)	5 Class A Shares (5%)
WhiteHaven Ventures Inc.	n/a	2018: $50,000 2019: $100,000	n/a	n/a
The Fund	n/a	2018: n/a 2019: n/a	n/a	n/a

3.1.2. The Fund

The following table presents the information regarding compensation and securities held for each director, officer and promoter of the Fund.

Name and municipality of principal residence	Position held and date position was obtained	Compensation paid by the Fund in the last financial year and compensation expected in the current financial year	Number, type and percentage of securities of the Fund held prior to the Offering	Number, type and percentage of securities of the Fund held after the Offering
Solstar (promoter)	n/a	2018: $0 2019: $0	n/a	0 Class A Shares (0%) 0 Class B Shares (0%)
Dionissios Baltzis;	Trustee since July 18, 2019	2018: $0 2019: $0	n/a	0 Class A Shares (0%) 0 Class B Shares (0%)
Geneviève Forget	Trustee since July 18, 2019	2018: $0 2019: $0	n/a	0 Class A Shares (0%) 0 Class B Shares (0%)
Rocco Di Fruscia	Trustee since July 18, 2019	2018: $0 2019: $0	n/a	0 Class A Shares (0%) 0 Class B Shares (0%)

3.2. Management Experience

3.2.1. Directors, Executive Officers and Consultants of the Fund and Solstar

Following is a list of individuals who are directors and executive officers of Solstar and of the Fund outlining information relating to the management experience of such directors and executive officers of as well as their principal occupation over the past five years or more.

Name and position	Principal occupation and related experience
Dionissios Baltzis, President and Director	Dr. Baltzis worked as an Oncology Clinical Research Associate at Covance, and as an Oncology Clinical Research Coordinator at the Clinical Research Unit of the Jewish General Hospital. He monitored, managed and coordinated various Phase I-III Pharmaceutical oncology clinical trials. Dr. Baltzis obtained his PhD degree from McGill University in Experimental Medicine specializing in molecular oncology. He then pursued his post-doctoral training in Immunology at the University of Dundee,

Name and position	Principal occupation and related experience
	Scotland working as a Medical Research Council scientific advisor reporting to pharmaceutical companies. Dr. Baltzis assisted organizational leadership in making decisions based on his research findings, and provided information that helped shape research and development policies regarding drug discovery. Dr. Baltzis has acquired the right tools that will assure quality and credibility in managing scientific projects and clinical trials.
Max Arella, Scientific Officer - Technical & Science Development	Dr. Arella has more than 30 years' experience diversified in sectors of academic research, scientific consultation and drug-development with small and large pharmaceutical companies. For the past twenty-five years, Dr. Arella has acted as a private consultant advising clients and businesses with technological and scientific development, innovative technology transfer and commercial development from University bench top to commercial developments. From 1993 to 1998, Dr. Arella was elected twice as chairman of the Virology Research Center of the Armand-Frappier Institute/University of Quebec (the "IAF") during which he held the responsibility of managing both the research and the teaching programs (M.Sc. and Ph. D). From 1984 to 1993 Dr. Arella was scholar, assistant professor and professor of Virology at IAF as well as adjunct professor at the School of Graduate Studies of the University of Montreal. He also served as president of the professor association from 1989 to 1992. His academic research is mainly based in the fields of molecular biology, fundamental aspects and applications of the double-stranded RNA virus, as well as amplification systems for the analysis of human and animal viruses, and cancer markers. Throughout his career, he has written 76 scientific publications, 24 scientific reports for research contracts as well as 28 chapters in books and summaries of techniques. He has been invited to give 52 international conferences, has presented 206 scientific communications and has submitted 3 patents. He has also served in many advisory boards of public traded companies throughout his career.
Dr. Tien Canh Le, Ph.D., Chief Scientific Officer	Dr. Le is a research scientist with a wide field of academic experience M.Sc. in Biology, M.Sc. in Chemistry and Ph.D. in Biochemistry with diversified experience in both academic and the industrial sectors. Some of his previous professional positions include Vice President and Director Research Development for several biopharmaceutical companies. He specializes in various domains such as pharmaceuticals, biomedical, and food nutrition. Dr. Le is author of numerous patents related to novel biotechnologies, biomaterials and medicinal products. Many of these products have reached the marketplace. At the present time his research targets the innovative technologies for oral pharmaceutical drugs and formulations for solubilizing hydrophobic

Name and position	Principal occupation and related experience
	products and increase their bioavailability. Dr. Le has successfully developed many products in the past that are currently on the market such as gel formulated ibuprofen, paint-ball formulations and nutraceutical products that were bought by a large Canada-based public company.
Dr. Patrick Barnabe, MD, Medical Director	Dr. Barnabe graduated with a Doctor in Medicine degree from the University of Ottawa and obtained his Residency in Family Practice at the University of Montreal. For the past 22 years, Dr. Barnabe has worked as a clinical teacher at the University of Ottawa in the School of Medicine, as well as a family doctor at an independent clinical practice in downtown Ottawa. Currently, he is a designated medical consultant to more than thirty embassies in Ottawa including; France, Spain, Italy, Belgium, European Community, and Brazil. Dr. Barnabe has also worked as a Technology Scout and Transfer Agent for numerous universities, private and public companies and US states in the biotechnology sector over the past 28 years. Furthermore, he has worked with a number of small capital companies to help raise seed capital. During the 1980s, he was an advisor to Canada's Ministry of Health and Health Protection Branch during the AIDS epidemic. In 2002, Dr. Barnabe planned the first synthetic analog of the Antifreeze molecule (AFP) which was later created at the IRCOF laboratory at the University of Rouen in France, one of the best organic chemistry labs in the world, using their proprietary Gem-difluorine technology. The molecule was later named antifreeze glycoprotein (AAGP). Dr. Barnabe is a Knight of the National Order of Brazil and Commander of the National Order of Service in Spain. He has obtained a long and very successful career in both medicine and technology.

3.3. Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the Fund, the Trustees or Solstar

- is, as at the date hereof, or has been within the ten years preceding the date hereof, a director, executive officer or control person of any company (including the Trustees) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became or was declared bankrupt, made a voluntary assignment or proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustees appointed to hold its assets; or

- has, within the ten years before the date hereof, become or been declared bankrupt, made a voluntary assignment or proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustees appointed to hold the assets of the proposed director.

No director, executive officer or control person of the Fund, the Trustees or Solstar has been subject to

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions.

3.4. Loans

No loans are due to or from the directors, management, promoters and principal holders as at a date not more than 30 days prior to the date of this Offering Memorandum.

ITEM 4. CAPITAL STRUCTURE

4.1. Share Capital

The following sets out the capital structure of the Fund as of the date of this Offering Memorandum:

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at the date hereof	Number outstanding upon completion of Minimum Offering	Number outstanding assuming completion of Maximum Offering
Units of the Fund	Unlimited	$10	1	25,000	2,500,000

4.2. Long Term Debt Securities

The Fund has no outstanding long term debt.

4.3. Prior Sales

As of the date of the present Offering Memorandum, the Fund has not issues any securities of the class being offered pursuant to the Offering.

ITEM 5. SECURITIES OFFERED

5.1. Terms of Securities

5.1.1. Interest in the Fund

The beneficial interests in the Fund shall be divided into an unlimited number of Units. The Units of each Series of the Fund represent an equal undivided interest in the assets of the Fund attributable to that Series and each Unit of a Series of the Fund ranks equally with every other Unit of the Series in the Fund, without distinction, preference or priority. The Unitholders of each Series of Units of the Fund are entitled to participate *pro rata* in distributions to holders of such Series of Units when and as declared and, upon liquidation of the Fund to participate equally in the net asset value (Section 5.1.3.3 - Proceeds Payable) of the Series. The Units of the Fund have the attributes that are determined by the Trustees.

A Unitholder shall be entitled to one vote for each whole Unit of the Fund (or each whole Unit of a Series of the Fund, if applicable) held by it. Units of the Fund shall be voted separately.

All Units of the same Series are entitled to participate *pro rata* in any payments or distributions made by the Fund to the Limited Partners and in any distributions upon liquidation of the Fund.

Fractional Fund Units carry the same rights and are subject to the same conditions as whole Fund Units (other than with respect to voting rights) in the proportion that they bear to a whole Fund Unit.

5.1.2. Status of Unitholders

The Unitholders do not hold any right of property or any real right with respect to the property and assets of the Fund held in trust by the Trustees pursuant to the terms of the Trust Agreement (the "**Fund Property**"), and are not entitled to claim or receive such property in whole or in part or to receive the profits and income earned by such property in ways other than as provided for in the Trust Agreement. However, each Unitholder is entitled to claim the value of the Units it holds, or of any part thereof, as determined on the first Redemption Date following receipt by the Trustees of a request to this effect, in consideration of the redemption of its Units, the whole subject to and in accordance with the provisions of Section 5.1.3.3 - Proceeds Payable.

5.1.3. Rights of Redemption

Units are redeemable by the Unitholders by delivering to the Trustees a duly completed and properly executed notice requiring the Trust to redeem Units, in a form approved by the Trustees, together with written instructions as to the number of Units to be redeemed. Units are redeemable on the last Business Day of any quarter (the "**Redemption Date**") and the Trust shall pay the Redemption Price ninety (90) Business Days after the Redemption Date. The notice and all other supporting documentation or evidence must be received by the Trustee to the satisfaction of the Trustees, not less than 30 days prior to the applicable Redemption Date. On receipt of a notice to redeem Units, the Unitholder will no longer have any rights with respect to the Units other than to receive any distribution accrued prior to receipt of the notice and the redemption amount. A redemption notice shall be irrevocable, except as provided in Section 5.1.3.5 - Suspension of Redemption Privilege.

5.1.3.1. Right of the Fund to Redeem

Units of the Fund may be redeemed by the Fund at any time on not less than five days' notice to the holder thereof.

The proceeds payable on a redemption of Units by the Fund will be the applicable Redemption Price, determined on the Redemption Date following the date upon which the Trustees notified the Unitholder of the redemption.

5.1.3.2. Proceeds Payable

The proceeds payable on a redemption of Units will be the Price per Unit that is applicable at the Redemption Date multiplied by the number of Units redeemed, applicable on relevant Redemption Date, less any applicable fees, or commissions (the "**Redemption Price**").

No fee or other charge shall be deducted by the Trustees, in their capacity as such, or the Fund in respect of such payment, except as set out in any Offering Memorandum of the Fund or notified to the Unitholder at the time of subscription for Units of the Fund or at any time thereafter on at least 30 days' notice of such fee or charge. Any such redemption fee or charge may be deducted from the proceeds of redemption otherwise payable to the Unitholder. Payment for such redemption shall be made within ninety (90) Business Days following the applicable Redemption Date.

It should be noted that the Trustees' obligation to make payment of the redemption proceeds in cash is limited to the availability of Fund Property that constitutes liquid assets and that is not

otherwise required to satisfy any short-term liability of the Fund (collectively, the "**Available Liquid Assets**"). If the Trustees receive more than one redemption request for any given Redemption Date, the value of which exceeds the anticipated value of the Available Liquid Assets as at that Redemption Date, the Trustees will provide a notice to the Unitholders having made redemption requests advising them that they will be paid in cash only up to the amount of Available Liquid Assets, if any, and subject to a *pro rata* distribution among each Unitholder having made a redemption request. With respect to the remaining balance of their redemption requests, Unitholders will then have the option to:

(a) carry one hundred percent (100%) of that Unitholder's redemption request balance forward to the next Redemption Date on which there are Available Liquid Assets, with these same options becoming available to the Unitholder at such Redemption Date; or

(b) receive a maximum payment of ninety percent (90%) of the balance of the net redemption proceeds (the "**Discounted Amount**") in kind, with payment of the Discounted Amount being made, at the Trustees' discretion,

(i) in the form of securities or other Fund Property having a fair market value that is equal to the Discounted Amount or

(ii) in the form of a debt instrument to be issued by the Fund, an existing Affiliate of the Fund, or an Affiliate of the Fund to be established, the principal amount of which will be equal to the Discounted Amount and the other terms of which will be set out in the notice sent to each relevant Unitholder (a "**Debt Instrument**"),

with payment of the Discounted Amount through either option (i) or (ii) constituting a full satisfaction of the relevant Unitholder's entitlement to further net redemption proceeds.

Each relevant Unitholder shall direct the Trustees in writing at the latest one (1) Business Day prior to the Redemption Date as to whether such Unitholder accepts option (a) or (b), above, for payment of the Discounted Amount, failing which the balance of such Unitholder's redemption request shall be carried forward to the next Redemption Date on which there are Available Liquid Assets.

Payment of cash redemption proceeds shall be made by mailing or delivering a cheque or by wire or electronic transfer as the Trustees may in their discretion determine, in the relevant amount to the Unitholder at its last address as shown in the Unitholders' register maintained by the Trustees pursuant to the Trust Agreement or to such other payee or address or account as the Unitholder may in writing direct. Any payment, unless not honoured, shall discharge the relevant Fund and the Trustees from all liability to such Unitholder in respect of the amount thereof and in respect of the Units redeemed. In no event shall the Fund or the Trustees be liable to a Unitholder for interest or income on the proceeds of any redemption pending the payment thereof.

5.1.3.3. Distributions

It is intended that sufficient net income and sufficient net taxable capital gains of the Fund will be distributed to Unitholders in each year so that the Fund will not be liable for income tax under Part I of the Income *Tax Act (Canada)*, R.S.C. 1985, c. 1 (5th Supp.) (the "**Tax Act**") and the equivalent sections of the *Taxation Act* (Québec). If there is any change in the treatment under the Tax Act, and the equivalent sections of the *Taxation Act* (Québec), of the net income or net taxable capital gains of the Fund which would frustrate the intention set out in Section 7.2 of the Trust Agreement, the Trustees may without the vote or assent of the Unitholders or any amendment to the Trust Agreement, alter the method of

distribution or discontinue this distribution policy for the purpose of minimizing taxes payable by the Fund and/or the Unitholders.

5.1.3.4. Suspension of Redemption Privilege

The Trustees may, on behalf of the Fund, suspend or postpone the right or obligation of the Fund to effect redemptions of Units for the whole or any part of any period when normal trading is suspended on any stock exchange on which securities are listed and traded which represent more than 50% by value of the total assets of the Fund without allowance for liabilities.

The suspension shall apply to all requests for redemption received while the suspension is in effect, but shall not apply to requests for redemption made prior to the suspension but as to which payment has not been made. All Unitholders making such requests shall (unless the suspension lasts for less than 48 hours) be advised by the Trustees of the suspension and that the redemption will be effected on the basis of the applicable Redemption Price determined on the next Redemption Date following the suspension. All such Unitholders shall have, and shall (unless the suspension lasts for less than 48 hours) be advised that they have, the right to withdraw their requests for redemption in these circumstances.

The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the relevant Fund, any declaration of suspension made by the Trustees shall be conclusive.

Subscriptions for additional Units of the Fund shall not be accepted during any period when the obligation of the Fund to effect redemption of Units is suspended.

5.1.4. Transfer of Units

Units of the Fund are transferable only in accordance with Applicable Law and with the prior written consent of the Trustees, which consent may be withheld at their discretion. Any purported transfer not effected in accordance with applicable laws or without the prior written consent of the Trustees shall be void and of no effect.

5.2. Subscription Procedure

5.2.1. Subscription for Units

Prospective Unitholders may purchase Units by delivering to the Trustees or a dealer approved by the Trustees a completed and executed subscription form accompanied by a cheque or a wire funds transfer for the full dollar amount of the Units subscribed for. All subscriptions will be subject to acceptance by the Trustees.

The subscription consideration will be held in trust by the Trustees at least for a 2 day period.

5.2.2. Price per Unit

Upon the establishment of the Fund and its division into Units, the Trustees determined the initial offering price of each Unit being offered (the "**Price per Unit**"), which, as of the date of this Offering Memorandum, is $10.00 per Unit. Thereafter, the subscription and redemption Price per Unit of the Fund will be the applicable Price per Unit or Redemption Price, as applicable, at the time of the subscription or redemption. It should be noted that the Trustees' obligation to make payment of the redemption proceeds in cash is limited to the availability of Available Liquid Assets. See 5.1.3.2 - Proceeds Payable.

The Price per Unit is calculated based on the Fund's net asset value which shall equal the aggregate value of the Fund Property, less an amount equal to all liabilities of the Fund divided by the total amount of Units issued and outstanding.

5.2.3. No Issuance of Unit Certificates

Units will be issued in registered, book-entry form only. No certificates evidencing ownership of Units will be issued to any Unitholder.

5.3. Amendments to the Trust Agreement

5.3.1. Amendment Without Prior Notice or Consent

Any provision of the Trust Agreement may be amended, deleted, expanded or varied in the discretion of the Trustees, without Unitholder approval or prior notice to the Unitholders, if the amendment is:

(a) to make any change or correction which is of a typographical nature or is required to cure or correct a clerical omission or for the purpose of curing an ambiguity;

(b) for the purpose of supplementing any provision of the Trust Agreement which may be defective or inconsistent with another provision;

(c) for the purpose of bringing the Trust Agreement into compliance with Applicable Law;

(d) for the purpose of conforming the Trust Agreement with current administrative or market practice;

(e) for the purpose of facilitating the administration of the Fund or to respond to amendments to the Tax Act or the changes in tax policies of the relevant taxing authorities which might otherwise adversely affect the interests of the Fund or its Unitholders;

(f) to effect the delegation by the Trustees of day-to-day management responsibilities for the business and affairs of the Fund to another entity;

(g) to remove and replace the Auditor of the Fund in accordance with the Trust Agreement;

(h) to change the name of the Fund; or

(i) to provide additional protection to Unitholders.

5.3.2. Amendments Requiring Consent by Extraordinary Resolution

Notwithstanding any other provision in the Trust Agreement, any amendment to the Trust Agreement that would result in an increase in the liability of any Unitholder shall require the approval of a majority of holders of all Series of affected Units of the Fund then outstanding and shall require the approval of the Unitholders of the Fund given by resolution passed by Unitholders of the Fund or Series of the Fund, as applicable, holding not less than 66⅔% of such Units voting thereon at a meeting duly convened for consideration of that matter (an "**Extraordinary Resolution**").

5.3.3. Amendment Without Consent

Any amendment to the Trust Agreement not described in Sections 5.3.1 or 5.3.2, above, may be made by the Trustees in respect of the Fund upon the Trustees delivering written notice of same

to Unitholders of the Fund not less than 30 days prior to the effective date of such amendment, including, without limitation:

(a) a material change to the Trust Agreement;

(b) a change in the purpose of the Fund; or

(c) a decrease in the frequency of calculating the net asset value of the Fund

5.4. Termination

The Fund shall be terminated in the event that:

(a) an Extraordinary Resolution is passed by the Unitholders of all Series of the Fund approving the termination of the Fund;

(b) each of the Trustees of the Fund resigns or is removed without replacement therefor as contemplated in the Trust Agreement; or

(c) the Trustees determine to terminate the Fund where, in the opinion of the Trustees, the net asset value of the Fund is reduced as the result of redemptions or otherwise so that it is no longer economically feasible to continue the Fund or it would be in the best interests of the Unitholders to terminate the Fund

The Trustees will provide Unitholders of the Fund with notice in writing no less than 30 days prior to the effective date of any such termination.

ITEM 6. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1. General

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

The comments set forth below are of a general nature only and are not intended to be, nor should they be construed to be, legal or tax advice to any particular subscriber and no representations are being made with respect to the income tax consequences to any particular subscriber. Further, the comments below are limited to only certain tax considerations and do not address other tax considerations which may be relevant to a subscriber. Each prospective subscriber should obtain independent tax advice regarding income tax consequences of investing in the Fund based on the prospective subscriber's own particular circumstances.

6.2. Certain Canadian Federal Income Tax Considerations

In the opinion of Burstall LLP, the following is a fair summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires, as beneficial owner, Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is a person and who, for the purposes of the Tax Act and at all relevant times: (a) is or is deemed to be resident in Canada; (b) deals at arm's length with the Fund; (c) is not affiliated with the Fund; and (d) holds Units as capital property.

Units will generally be considered to be capital property unless the Unitholder acquires or holds the Units in the course of carrying on a business or is engaged in an adventure in the nature of trade with respect to the Units.

Certain Unitholders (other than certain traders or dealers in securities) who are resident in Canada for the purposes of the Tax Act and whose Units might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Units (provided that the Fund is a "mutual fund trust" for the purposes of the Tax Act), and any other "Canadian security" (as defined in subsection 39(6) of the Tax Act), owned or subsequently acquired by them, deemed to be capital property for the purposes of the Tax Act. Unitholders contemplating making such an election should first consult with their own tax advisors.

This summary is not applicable to a Unitholder: (a) that is a "financial institution", as defined in subsection 142.2(1) of the Tax Act for the purpose of the mark-to-market rules; (b) that is a "specified financial institution", as defined in subsection 248(1) of the Tax Act; (c) an interest in which is a "tax shelter", as defined in subsection 237.1(1) of the Tax Act, or a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act; (d) that reports its "Canadian tax results", as defined in subsection 261(1) of the Tax Act, in a currency other than Canadian currency; (e) who has entered into or will enter into, in respect of the Units, a "derivative forward agreement", as defined in subsection 248(1) the Tax Act; (f) that is a partnership; or (g) that is exempt from tax under Part I of the Tax Act, except for the limited discussion under the heading "Eligibility for Investment". Such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of the Units acquired pursuant to this Offering Memorandum. In addition, this summary does not address the deductibility of interest by a purchaser who has borrowed money to acquire Units under this Offering.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "**Tax Regulations**") in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), Counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made publicly available prior to the date hereof, and a certificate as to certain matters from a Trustee of the Fund. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or changes in the CRA's administrative policies and assessing practices, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. This summary assumes that the Proposed Amendments will be enacted as currently proposed, but no assurance can be given that this will be the case. There can be no assurance that the CRA will not change its administrative policies or assessing practices. The Fund has not obtained, nor sought, an advance tax ruling from the CRA in respect of any of the matters discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Unitholder. Accordingly, each investor should obtain independent advice regarding the income tax consequences of investing in Units with reference to the investor's particular circumstances.

6.3. Status of the Fund

This summary assumes that the Fund will, at all relevant times, qualify as a "mutual fund trust" for the purposes of the Tax Act and that the Fund will validly elect under the Tax Act to be a mutual fund trust from the date it was established.

Counsel has been advised that the Fund meets, and intends to continue to meet the requirements necessary for it to qualify as a mutual fund trust for the purposes of the Tax Act. If the Fund were to not qualify as a mutual fund trust at any particular time, the tax considerations for the Fund and Unitholders could, in some respects, be materially and adversely different from those contained herein.

6.4. SIFT Rules

This summary is also based on the assumption that the Fund will at no time be a "SIFT trust", as defined in subsection 122.1(1) of the Tax Act (a "**SIFT Trust**"). Counsel has been advised that the Fund intends to meet the requirements to not be a SIFT Trust on the basis that no Units or other investments in the Fund will be listed or traded on any stock exchange or public market, as defined in subsection 122.1(1) of the Tax Act.

If the Fund were a SIFT Trust, certain rules would apply that would effectively tax certain income of the Fund that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders (the "**SIFT Rules**"). Pursuant to the SIFT Rules, a SIFT Trust is not permitted to deduct any amount that it pays or makes payable to its unitholders in respect of its aggregate: (a) net income from businesses it carries on in Canada; (b) net income (other than taxable dividends received by the SIFT Trust) from its non-portfolio properties; and (c) net taxable capital gains from its disposition of non-portfolio properties. Distributions which a SIFT Trust is unable to deduct will be taxed in the SIFT Trust at rates of tax which approximate the combined federal and provincial corporate tax rates. Distributions of a SIFT Trust's income that are not deductible to the SIFT Trust will be treated as taxable dividends received from taxable Canadian corporations. A Unitholder who is an individual (other than certain trusts) and receives such a distribution will be required to include the distribution in income as a dividend, subject to the enhanced gross-up and dividend tax credit rules normally applicable to "eligible dividends" received from a taxable Canadian corporation. In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

The remainder of this summary is based on the assumption that no Units or other interests in the Fund will be listed or traded on any stock exchange or other public market and, accordingly, the Fund will not be a SIFT Trust. However, there can be no assurance that subsequent investments or activities undertaken by the Fund will not result in the Fund becoming a SIFT Trust subject to the SIFT Rules.

6.5. Taxation of the Fund

The Fund is subject to tax on its income in each taxation year, including net realized taxable capital gains, dividends and interest received or receivable, less the portion thereof that is paid or payable in the year to Unitholders and which is deducted by the Fund in computing its income for the purposes of the Tax Act. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or such Unitholder is entitled in that year to enforce payment of the amount.

In computing its income, the Fund will be entitled to deduct reasonable current administrative and other expenses incurred by it to earn income. Reasonable expenses incurred in respect of the issuance of Units generally may be deducted by the Fund on a five-year, straight-line basis.

Counsel has made the assumption that the Fund's current intention is to make payable to Unitholders each year sufficient amounts such that the Fund is not expected to be liable for any material amount of tax under Part I of the Tax Act. However, there can be no assurance that the Fund will not adopt a different approach.

6.6. Taxation of Unitholders

6.6.1. Fund Distribution

A Unitholder will generally be required to include in computing the Unitholder's income for a particular taxation year, as income from property, the portion of the net income of the Fund, including taxable dividends and net realized taxable capital gains, that is paid or payable to the Unitholder in that taxation year, whether that amount is paid or payable in cash, additional Units, Fund assets or otherwise. Accordingly, a Unitholder's allocation of income for the purposes of the Tax Act in a particular year may

exceed the amount of cash distributions received by such Unitholder. Any loss of the Fund cannot be allocated to or treated as a loss to a Unitholder.

Provided that appropriate designations are made by the Fund, certain types of income of the Fund from certain sources are deemed to have been received by a Unitholder as income from such sources, so that such income generally retains its character for tax purposes in the hands of the Unitholder. Sources of income that may be so designated include taxable dividends from taxable Canadian corporations, net taxable capital gains and income from foreign sources.

The non-taxable portion of net realized capital gains of the Fund that is paid or payable to a Unitholder in a taxation year generally will not be included in computing the Unitholder's income for the year and will not reduce the adjusted cost base of the Unitholder's Units. Any other amount (other than as proceeds of disposition in respect of the redemption of Units) in excess of the net income of the Fund that is paid or payable by the Fund to a Unitholder in a year will generally not be included in the Unitholder's income for the year. However, where any such other amount is paid or payable to a Unitholder (other than as proceeds of disposition of Units) the adjusted cost base of the Units held by such Unitholder will be reduced by such amount. To the extent that the adjusted cost base to a Unitholder is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Unit in that year, and immediately thereinafter the amount of such capital gain will be added to the adjusted cost base of such Unit.

6.6.2. Purchase of Units

A Unitholder who purchases Units during a particular taxation year of the Fund may become taxable on a portion of the net income of the Fund that is accrued or realized by the Fund in a period before the time the Unit was purchased but which was not paid or made payable to Unitholders until the end of the period and after the time the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by the Fund in a year before the time the Unit was purchased but which is paid or made payable by the Fund at year end and after the time the Unit was purchased by the Unitholder.

6.6.3. Disposition of Units

On the disposition or deemed disposition of Units, a Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition (excluding any amount payable by the Fund which represents an amount that must otherwise be included in the Unitholder's income as described herein, including any capital gain or income realized by the Fund in connection with a redemption which the Fund has designated to the redeeming Unitholder) are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Units and any reasonable costs incurred by the Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "Capital Gains and Capital Losses".

The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments provided for under the Tax Act. Units issued to a Unitholder as a non-cash distribution of income (including net capital gains) will have a cost amount equal to the amount of such income (including the applicable non-taxable portion of net capital gains). A Unitholder will generally be required to average the cost of all newly acquired Units with the adjusted cost base of Units held by the Unitholder as capital property in order to determine the adjusted cost base of the Unitholder's Units at any particular time. The adjusted cost base of Units disposed of is based on such average calculation immediately prior to the distribution.

Where the Fund redeems Units by distributing Debt Instruments or other property of the Fund to a Unitholder, the Unitholder will also be required to include in income any income, and the taxable portion of any capital gain, that the Fund realizes on or in connection with such *in specie* distribution of Debt Instruments or other property and designates to such Unitholder. The proceeds of disposition to the

redeeming Unitholder will be equal to the net asset value less discounts and costs of the Debt Instruments or other property of the Fund so distributed, less any income or capital gain realized by the Fund in connection with such redemption to the extent the Fund designates such income or capital gain to the redeeming Unitholder. The cost of any Debt Instruments or other property distributed *in specie* by the Fund to a Unitholder upon the redemption of Units will be equal to the fair market value of that property at the time of distribution.

The Unitholder will thereafter be required to include in income interest or other income derived from the Debt Instruments or other property in accordance with the provisions of the Tax Act.
The consolidation of Units will not result in a disposition of Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all of the Unitholder's Units will not change as a result of a consolidation of Units, although the adjusted cost base per Unit will increase.

6.7. Capital Gains and Capital Losses

A Unitholder must include in income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by the Unitholder on a disposition or deemed disposition of a Unit in the year, and the amount of any net taxable capital gains designated by the Fund to the Unitholder in the year. The Unitholder generally must deduct one-half of the amount of any capital loss ("**allowable capital loss**") realized by the Unitholder in a taxation year on the disposition or deemed disposition of a Unit against the Unitholder's taxable capital gains for the year. Allowable capital losses in excess of taxable capital gains realized by the Unitholder in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted against net taxable capital gains in any subsequent year, subject to the detailed provisions of the Tax Act.

The amount of any capital loss otherwise realized by a Unitholder that is a corporation or a trust (other than a mutual fund trust) on the disposition of a Unit may be reduced by the amount of any dividend that the Fund receives and designates to the Unitholder, except to the extent that a loss on a previous disposition of a Unit has been reduced by such amount. Unitholders to whom these rules may be relevant should consult their own tax advisors.

6.8. Refundable Tax

A Unitholder which is a Canadian-controlled private corporation ("**CCPC**"), as defined in the Tax Act, will be subject to a refundable tax in respect of its aggregate investment income for the year, which may include certain income and capital gains distributed to the Unitholder by the Fund and any capital gains realized on a disposition of Units.

Recent amendments to the Tax Act applicable to taxation years that begin after 2018 limit the extent to which a CCPC can claim a refund of a refundable tax in certain circumstances. These amendments also limit the availability of the small business deduction for CCPCs earning "adjusted aggregate investment income" exceeding $50,000 in a taxation year that begins after 2018. CCPCs acquiring Units should consult their own tax advisors with respect to the implications of these provisions as they relate to the acquisition, holding and disposition of Units.

6.9. Minimum Tax

A Unitholder who is an individual or trust (other than certain specified trusts) may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Units and net income of the Fund paid or payable, or deemed to be paid or payable, to the Unitholder and that is designated as taxable dividends or net taxable capital gains.

6.10. Eligibility for Investment by Exempt Plans

Provided that the Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act, the Units will be a "qualified investment" under the Tax Act for Exempt Plans.

Notwithstanding the foregoing, if the Units are a "prohibited investment" for a particular trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") or tax free savings account ("**TFSA**") for the purposes of the Tax Act, the annuitant under the RRSP or RRIF, the subscriber of an RESP or the holder of the RDSP or TFSA, as the case may be, will be subject to a penalty tax under the Tax Act. The Units will generally not be a "prohibited investment" (as defined in subsection 207.01(1) of the Tax Act) for a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA if the annuitant, beneficiary or holder thereunder: (a) deals at arm's length with the Fund for the purposes of the Tax Act; and (b) does not hold a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Fund. In addition, Units will not be a prohibited investment if the Units are "excluded property" (as defined in subsection 207.01(1) of the Tax Act). Unitholders should consult their own tax advisors regarding whether Units would be a prohibited investment under the Tax Act having regard to their own particular circumstances.

Assets received as a result of a distribution or redemption of Units may not be a qualified investment for Exempt Plans, which may give rise to adverse tax consequences to an Exempt Plan or the annuitant, holder or beneficiary thereunder. Unitholders should consult their own tax advisors in this regard.

6.11. Taxation of Unitholders Not Resident in Canada

Unitholders who, for the purposes of the Tax Act and any relevant tax treaty, are not resident in Canada and are not deemed to be resident in Canada should consult their own tax advisors regarding their particular circumstances.

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

Where allowed by applicable securities legislation, the Fund intends to offer the Units through any one, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives on the exempt market, and parties related to Solstar or consultants of such parties. The Fund will offer as remuneration to the selling agents a cash commission equal to up to ten percent (10%) of the gross proceeds from sale of the Units.

It is anticipated that Whitehaven will act as a selling agent under the Offering. Athanasios Baltzis, director, officer and control person of Whitehaven, is the brother of Dionissios Baltzis, President and director of Solstar and, as such, Solstar could be considered a "connected issuer" of Whitehaven under applicable Canadian securities laws. Athanasios Baltzis has also acted as the settlor of the Fund.

Whitehaven is wholly-owned by WhiteHaven Holding Inc., which, as of November 22, 2019, owns 5% of issued and outstanding Shares of Solstar, which will be a "related issuer" of the Corporation upon completion of the Offering, and, as such, Solstar could be considered a "connected issuer" of Whitehaven under applicable Canadian securities laws.

ITEM 8. RISK FACTORS

The following risk factors do not purport to be a complete explanation of all risks involved in purchasing Units. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before deciding to invest in Units.

This Offering should be considered only by sophisticated prospective Unitholders able to assume the risk of total loss and to make long term investments. An investment in the Corporation is not a complete

investment program, and prospective Unitholders should fully understand and be capable of assuming the risks of investing in the Corporation. Prospective Unitholders should consider a number of risk factors before investing in the Fund, including the following:

8.1. Investment Risk

8.1.1. General Investment Risk

Investment risk includes the possible loss of the entire amount of capital that you invest. Your investment in the Fund represents an indirect investment in the securities owned by the Fund. The values of these securities may increase or decrease, at times rapidly and unexpectedly. Your investment in the Fund may at any point in the future be worth less than your original investment. Accordingly, it is important you periodically evaluate your investment in the Fund. All investments in securities involve risk of the loss of all or part of the investor's original capital.

8.1.2. General Economic and Market Conditions

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

8.1.3. No Insurance against Loss

The Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation or any other insurance company or program.

8.1.4. Securities Regulatory Risks

In the ordinary course of business, the Fund may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under applicable Canadian Securities Laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for under securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Fund believes that its position regarding compliance with applicable Canadian Securities Laws is appropriate and supportable, it is possible that securities law matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Fund. There can be no assurance that applicable Canadian Securities Laws or the securities regulators interpretations thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Fund.

8.1.5. Return on Securities

There is no guarantee that the securities will earn any positive return in the short term or long term. A holding of securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable it to assume such risks and who have no need for immediate liquidity in their investment. A holding of securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

8.1.6. Valuation of the Fund's Investments

While the Fund will be independently audited by the auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Fund's investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the net asset value of the Fund and the Price per Unit could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's investments. Valuation determinations will be made in good faith in accordance with the Trust Agreement.

There is risk that an investment in the Fund by a new investor (or an additional investment by an existing Unitholder) could dilute the value of investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Fund. The Trustees do not intend to adjust the net asset value of the Fund retroactively. The valuation of assets of the Fund for the purpose of determining subscription and redemption prices of Units and the calculation of applicable fees, may not be in accordance with IFRS but will generally be in accordance with industry practice.

8.1.7. Changes in the Investment Objectives and Strategies

The Trustees may propose changes to the Fund's investment objectives, strategies and restrictions. However, the Fund's investment objective may only be changed with the approval of Unitholders of the Fund or Series of the Fund, as applicable, holding not less than 66 2/3% of such Units.

8.1.8. Concentration Risk

The Fund will be concentrating its investments in a particular company. When the Fund concentrates its investments, financial, economic, business, and other developments affecting issuers in that industry, market, or economic sector will have a greater effect on the Fund than if it had not concentrated its assets in that industry, market, or economic sector, which may increase the volatility of the Fund. Any such concentration may also limit the liquidity of the Fund.

8.1.9. Illiquidity of Investment

An investment in the Units of the Fund is an illiquid investment. There will be no market through which the Units of the Fund may be sold. The Fund is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the Units.

In addition, Units may not be assigned, encumbered, pledged, hypothecated or otherwise transferred except with the prior written consent of the Trustees, which may be withheld in the Trustees' sole and absolute discretion. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of redemption of their Units. These redemptions will be subject to certain limitations. Unitholders may not be able to liquidate their investments in a timely manner. As a result, an investment in the Units is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

8.1.10. Fees and Expenses

The Fund is obligated to pay fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether it realizes profits.

8.1.11. Potential Indemnification Obligations

Under certain circumstances, the Fund might be subject to significant indemnification obligations in favour of the Trustees, and other service providers to the Fund or certain parties related to them. The Fund will not carry any insurance to cover such potential obligations and, to the Trustees' knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any

indemnification paid by the Fund would reduce the net asset value of such Fund and, by extension, the series net asset value per Unit.

8.1.12. Redemptions

Under certain circumstances, the Fund might be subject to significant indemnification obligations in favour of the Trustees, and other service providers to the Fund or certain parties related to them. The Fund will not carry any insurance to cover such potential obligations and, to the Trustees' knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the net asset value of such Fund and, by extension, the Price per Unit.

8.1.13. Series Risk

Since the Fund may have multiple Series of Units, each Series will be charged, as a separate Series, any Series Expenses such as management fees that are specifically attributable to that Series. However, the Trustees generally will allocate all other expenses of the Fund among the Series of Units in a fair and equitable manner and the creditor of the Fund may seek to satisfy its claims from the assets of the Fund as a whole, even though its claims relate only to a particular Series of Units.

8.2. Tax Risks

8.2.1. Canadian Tax Treatment of Units

The tax treatment of the Units constitutes a major factor when considering an investment in the Units. There is no guarantee that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a Unitholder will not be altered and, moreover, there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Units and the status of the Units. No guarantees can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practice of the tax authorities will not be modified.

8.2.2. Minimum Number of Unitholders

The requirements for mutual fund trust status under the Tax Act include ongoing requirements that must be met at all times. These requirements include a requirement that before the 91st day after the Fund's first taxation year, the Fund must have at least 150 Unitholders holding not less than "one block" of a Series of Units (as defined in the Tax Act) having an aggregate fair market value of not less than $500. In addition, the Fund may cease to be a mutual fund trust where it is considered to be established or maintained primarily for the benefits of non-residents unless certain requirements are met. If the Fund were not to qualify as a mutual fund trust under the Tax Act, the federal income tax considerations described in this Offering Memorandum would, in some respects be materially and adversely different. If the Fund ceases to qualify as a mutual fund trust under the Tax Act, the Units will cease to be qualified investments for trusts governed by Deferred Plans. There can be no assurance that the Units will continue to be qualified investments for trusts governed by Deferred Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

8.2.3. No Advance Tax Ruling

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in the Offering Memorandum.

8.3. Management Risk

8.3.1. Dependence on Key Personnel

The Trustees depend, to a great extent, on the services of a limited number of individuals in the administration of the Fund's activities. The loss of such individuals for any reason could impair their ability to perform their activities on behalf of the Fund.

8.3.2. Limited Operational History

The Fund is newly-constituted entities and is subject to all the risks inherent in the establishment of a new business. There is no certainty that the Fund's business strategy will be successful. The likelihood of success of the Fund must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Fund fails to address any of these risks or difficulties adequately, its business will likely suffer. There is no assurance that the Fund can operate profitably.

8.3.3. Unitholders not Entitled to Participate in Management

Unitholders are not entitled to participate in the management or control of the Fund or its operations. Unitholders do not have any input into the Fund's trading. The success or failure of the Fund will ultimately depend on the indirect investment of the assets of the Fund by the Trustees, with which Unitholders will not have any direct dealings.

8.4. Status of the Fund

As the Fund is not a mutual Fund offered by prospectus as defined under applicable securities legislation, it is not subject to the Canadian regulations, rules and policies that apply to mutual funds offered by prospectus.

Subscribers are cautioned that the Fund is not generally regulated by established corporate law and Unitholders' rights are governed primarily by the specific provisions of the Trust Agreement, which addresses such items as the nature of the Units, the entitlement of Unitholders to cash distributions, restrictions respecting non-resident holdings, meetings of Unitholders, delegation of authority, administration, Trust governance and liabilities and duties of the Trustees of the Fund to Unitholders. As well, under certain existing legislation such as the Bankruptcy and Insolvency Act and the Companies Creditor's Arrangement Act, the Fund is not a legally recognized entity within the definitions of these statutes. In the event of insolvency or restructuring of the Fund, the rights of Unitholders may be different from those of shareholders of an insolvent or restructuring of a Corporation as the Fund and its stakeholders would not be able to access the remedies and procedures available thereunder.

8.5. Risks Related to the Business and Industry of Solstar

8.5.1. General risks

Solstar's future success depends on its ability to retain its key executives and to attract, retain and motivate qualified personnel.

Solstar may be unable to obtain scientific research and experimental development tax incentive credits.

Solstar may acquire businesses or products, or form strategic alliances, in the future, and Solstar may not realize the benefits of such acquisitions.

Solstar's success depends on its ability to effectively manage its growth.

8.5.2. Risks Related to the Financial Position and Need for Additional Capital

Solstar does not have any source of operating income and is dependent solely on outside sources of financing. Solstar expects to incur losses for the foreseeable future and may never achieve or maintain profitability.

Solstar will need substantial additional funding. If Solstar is unable to raise capital when needed, Solstar would be forced to delay, reduce, terminate or eliminate product development programs, potentially including the ongoing and planned clinical trials of B-Organic or commercialization efforts.

Any future profits will likely be used for the continued growth of the business and products and will not be used to pay dividends on the issued and outstanding shares.

8.5.3. Risks Related to Clinical Trials

All of the product candidates are still in preclinical development. Clinical trials of the product candidates may not be successful. If Solstar is unable to commercialize the product candidates or experiences significant delays in doing so, the business may be materially harmed.

If clinical trials of the product candidates fail to demonstrate safety and efficacy to the satisfaction of the regulatory authorities, Solstar may incur additional costs or experience delays in completing the development and commercialization of the product candidates.

If Solstar experiences delays or difficulties in the enrollment of patients in clinical trials, receipt of necessary regulatory approvals could be delayed or prevented.

If serious adverse or undesirable side effects are identified during the development of the product candidates, Solstar may need to abandon or limit the development of some of its product candidates.

The design or Solstar's execution of clinical trials may not support regulatory approval.

8.5.4. Risks Related to the Development and Commercialization of Solstar's Product Candidates

Even if any of Solstar's product candidates receive regulatory approval, they may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success.

If Solstar is unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market its product candidates, Solstar may not be successful in commercializing its product candidates if and when they are approved.

Solstar faces substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than it may.

Even if Solstar is able to commercialize any product candidates, the products may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm the business.

Product liability lawsuits against Solstar could cause Solstar to incur substantial liabilities and to limit commercialization of any products that Solstar may develop.

Solstar may not achieve its publicly announced milestones according to schedule, or at all.

If Solstar is unable to commercially manufacture its products, Solstar could face delayed trial approvals or sales.

8.5.5. Risks Related to Solstar's Dependence on Third Parties

Solstar expects to depend on collaborations with third parties for the development and commercialization of its product candidates. If those collaborations are not successful, Solstar may not be able to capitalize on the market potential of these product candidates.

Solstar relies on third parties to conduct its clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

Solstar depends on third-party suppliers to obtain Solstar's raw ingredients and intermediate drug substances, which are necessary for the production of Solstar's products.

8.5.6. Risks Related to Solstar's Intellectual Property

If Solstar fails to comply with its obligations under its intellectual property licenses with third parties, Solstar could lose license rights that are important to its business.

Solstar's success depends upon its ability to protect its intellectual property and its proprietary technology.

If Solstar is unable to protect the confidentiality of its trade secrets, Solstar's business and competitive position would be harmed.

Solstar may become involved in lawsuits to protect or enforce its patents, which could be expensive, time consuming and unsuccessful.

Third parties may initiate legal proceedings alleging that Solstar is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of Solstar's business.

Solstar may be subject to claims that its employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Intellectual property litigation could cause Solstar to spend substantial resources and distract its personnel from their normal responsibilities.

8.5.7. Risks Related to Regulatory Approval of Solstar's Product Candidates and Other Legal Compliance Matters

If Solstar is not able to obtain, or if there are delays in obtaining, required regulatory approvals, Solstar may not be able to commercialize its product candidates, and its ability to generate revenue may be materially impaired.

Failure to obtain regulatory approval in international jurisdictions would prevent Solstar's product candidates from being marketed abroad.

If Solstar fails to comply with environmental, health and safety laws and regulations, it could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of Solstar's business.

Changes in government regulations, although beyond Solstar's control, could have an adverse effect on Solstar's business.

Any product candidate for which Solstar obtains marketing approval could be subject to restrictions or withdrawal from the market and Solstar may be subject to penalties if it fails to comply with regulatory

requirements or if it experiences unanticipated problems with its products, when and if any of them are approved.

ITEM 9. REPORTING OBLIGATIONS

The Fund is not subject to continuous reporting and disclosure obligations which the securities legislation of any province or territory of Canada would require of a "reporting issuer" as defined in such legislation and, as such, except as noted below, there is no requirement that the Fund make disclosure of its affairs, including, without limitation, through the prompt notification of material changes by way of news releases.

The Fund is required, however, to file its audited annual financial statements within 120 days after the end of each of its financial years with the applicable securities commissions and provide a copy thereof to each subscriber in Quebec, Ontario, Saskatchewan, New Brunswick (subsection 2.9 (17.5) National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**")), Alberta (Section 2.9 (17.4) NI 45-106), and Nova Scotia (Section 2.9 (17.6) NI 45-106) that subscribes for Units pursuant to the "offering memorandum" exemption under subsection 2.9(2.1) of NI 45-106 (the "**OM Exemption**"). Additionally, the Fund is required to provide:

(a) to the abovementioned subscribers, a notice detailing the use of the aggregate gross proceeds raised by the Fund under the OM Exemption; and

(b) to subscribers in Ontario, New Brunswick, and Nova Scotia who subscribe for Units pursuant to the OM Exemption, a notice within 10 days of the occurrence of any of the following events: (a) a discontinuation of the Corporation's business; (b) a change in the Corporation's industry; or (c) a change of control of the Corporation.

ITEM 10. RESALE RESTRICTIONS

10.1. General Statement

No transfers of Units may be made other than by operation of law and with the consent of the Trustees.

10.2. Restricted Period

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation. Investors are advised to seek legal advice prior to any resale of the Units. In addition, no Unit may be transferred without the approval of the Trustees. However, Unitholders may redeem their Units in accordance with the Trust Agreement. See the heading entitled *Redemption of Units*.

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. However, the Trustees do not intend to cause the Fund to become a reporting issuer.

10.3. Manitoba Resale Restrictions

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

(i) the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(ii) you have held the securities 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.

ITEM 11. PURCHASERS' RIGHTS

Securities legislation in certain jurisdictions where the Offering is being made provide purchasers, or requires purchasers be provided, with remedies for rescission or damages, or both, if this Offering Memorandum or any amendment to it contains a misrepresentation. 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.

However, these remedies must be exercised within the prescribed time limits and are described below. **Purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor**.

Rights for Purchasers in Alberta

Securities legislation in Alberta provides that every purchaser of Units pursuant to this Offering Memorandum or any amendment thereto shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, against the purchased Fund and certain other persons if this Offering Memorandum or any amendment thereto contains a "misrepresentation" (as defined in the *Securities Act* (Alberta) (the "**Alberta Act**")). However, such rights must be exercised within prescribed time limits. Purchasers should refer to the applicable provisions of the Alberta securities legislation for particulars of those rights or consult with a lawyer. In particular, Section 204 of the Alberta Act provides that if this Offering Memorandum or any amendment thereto contains a misrepresentation, a purchaser who purchases Units offered under this Offering Memorandum or any amendment will be deemed to have relied upon the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Fund and every person or company who signed this Offering Memorandum or, alternatively, for rescission against the Fund, provided that if the purchaser exercises its right of rescission against the Fund, the purchaser will not have a right of action for damages against the Fund or against any aforementioned person or company.

No action can be commenced to enforce the rights of action described above more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) 180 days from the date that the purchaser first had knowledge of the facts giving rise to the cause of action, or

(ii) three years from the date of the transaction that gave rise to the cause of action.

No person or company referred to above is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. In addition, no person or company will be liable in an action pursuant to section 204 of the Alberta Act if the person or company proves that:

(c) this Offering Memorandum or any amendment thereto was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of it being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;

(d) on becoming aware of the misrepresentation in this Offering Memorandum, the person or company withdrew its consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or

(e) if, with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company proves had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the relevant part of this Offering Memorandum or any amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company: (i) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed that there had been a misrepresentation.

In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Units were offered under this Offering Memorandum or any amendment thereto. The rights of action for rescission or damages are in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Alberta Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Ontario

A purchaser of Units who is resident in Ontario and to whom this Offering Memorandum was delivered may, if the amount of the purchase does not exceed the sum of $50,000, rescind the contract to purchase such Units by sending written notice to the Fund within 48 hours from the time the purchaser received the confirmation for the purchase of the Units. The amount the purchaser is entitled to recover on exercise of the right to rescind may not exceed the net asset value of the Units purchased at the time the right to rescind is exercised, but will be entitled to reimbursement from every registered dealer through whom such Units were purchased (if any) for the amount of sales charges and fees relevant to the investment of the purchaser in the Fund in respect of the Units for which the notice of rescission was given.

In the event that this Offering Memorandum or any amendment thereto contains a misrepresentation, a purchaser resident in Ontario who purchases Units offered by this Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages against the Fund or, alternatively, while still the owner of the Units, for rescission against the Fund provided that:

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Fund;

(b) the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(c) in the case of an action for damages, the Fund will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the Units were offered.

No action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date the purchaser purchased the Units;or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date the purchaser purchased the Units.

The rights of action for rescission or damages conferred by section 130.1 of the *Securities Act* (Ontario) is in addition to and without derogation from any other right the purchaser may have at law.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the *Securities Act* (Ontario) for a complete listing.

This Offering Memorandum is being delivered in connection with a distribution made in Ontario in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the "accredited investor exemption"). The rights referred to above do not apply if this Offering Memorandum is delivered to a prospective purchaser in Ontario in connection with a distribution made in Ontario in reliance on the accredited investor exemption if the prospective purchaser is:

(a) a Canadian financial institution or a Schedule III bank (each as defined in OSC Rule 45-501 Ontario Prospectus and Registration Exemptions);

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for Purchasers in Québec

Legislation has been adopted in Québec, but is not yet in force, that will provide the purchasers of Units with a statutory right to sue (if proclaimed in force). Until such time as this legislation is in force, in addition to any other right or remedy available to the purchasers of Units under ordinary civil liability rules, purchasers are granted the same rights of action for damages or rescission as purchasers in Ontario. If and when this legislation is in force, then purchasers of Units residing in the Province of Québec will no longer have the rights granted to purchasers in Ontario and the following will apply, in addition to any other right or remedy available to purchasers of Units residing in the Province of Québec under ordinary civil liability rules:

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

(a) to cancel subscription agreement to buy the Units or to revise the price at which the Units were sold to the purchaser; and

(b) for damages against the Fund, the persons in charge of the Fund's patrimony, the dealer(s) under contract to the Fund in connection with the sale of these Units and any expert whose opinion appears in this Offering Memorandum if such opinion contains a misrepresentation.

This statutory right to sue will be available to purchasers whether or not purchasers have relied on the Offering Memorandum. Purchasers will be able to elect to cancel their agreement to buy these Units or to bring an action to revise the price without prejudice to their claim for damages.

However, there will be various defences available to the persons that purchasers will have a right to sue. For example, they will have a defence if purchasers knew of the misrepresentation when they purchased the Units. In an action for damages, a person listed above, other than the Fund or the persons in charge of the Fund's patrimony, will not be liable if that person acted with prudence and diligence.

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

(a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

(b) there was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If purchasers of Units intend to rely on the rights described in (a) or (b) above, they will have to do so within strict time limitations. Purchasers will have to commence an action to cancel the agreement or revise the price within three years after the date of the purchase. Purchasers will have to commence an action for damages within the earlier of (i) three years after they first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to purchasers negligence) or (ii) five years after the filing of this Offering Memorandum with the *Autorité des marchés financiers*.

Rights for Purchasers in British Columbia (when not relying on the Offering Memorandum Exemption) and Newfoundland and Labrador

Investors in British Columbia (when not relying on the Offering Memorandum Exemption) and Newfoundland and Labrador are granted the same rights of action for damages or rescission as residents of Ontario who purchase Units.

Rights for Purchasers in British Columbia (when relying on the Offering Memorandum Exemption)

According to NI 45-106, you can cancel your agreement to purchase the securities (the "**Cancellation Right**"). To do so, you must send a notice to us by midnight on the second Business Day after you sign the agreement to buy the securities.

In addition to the Cancellation Right and to any other rights or remedies available at law, the *Securities Act* (British Columbia) (the "**BC Securities Act**") provides Unitholders with the rights, in certain circumstances, to seek damages or to cancel their agreement to purchase Units. These rights are available if this Offering Memorandum contains a misrepresentation or if the Trustees fail to deliver the Offering Memorandum within the prescribed time. Pursuant to the BC Securities Act, a "misrepresentation" means an untrue statement about a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

Certain of the rights granted to Unitholders under the BC Securities Act are summarized below. For more complete information about such rights, Unitholders should seek legal advice.

More specifically, the BC Securities Act provides that if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Fund to cancel your agreement to buy the securities; or

(b) for damages against the Fund and for damages against the Trustees, every person who was a trustee at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not they relied on the misrepresentation. If you choose to rescind their purchase, they cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. 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 securities.

Moreover, under the BC Securities Act, the defendant will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

(a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Finally, if you intend to rely on the rights described above in paragraphs (a) or (b), you do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after you signed the agreement to purchase the securities.

The rights summarized above are in addition to and without derogation from any other rights or remedy which investors may have at law.

ITEM 12. FINANCIAL STATEMENTS

The statement of financial position of the Fund as at July 19, 2019, is attached.

The audited financial statements of Solstar for financial years 2017 and 2018, as well as the interim financial statements of Solstar dated September 30, 2019, are attached.

ITEM 13. DATE AND CERTIFICATE

Dated: November 22, 2019

This offering memorandum does not contain a misrepresentation.

Each signatory below signing in its capacity as trustee, manager and executive officers of the SOLSTAR CAPITAL FUND.

Dionissios Baltzis
Dionissios Baltzis (Nov 21, 2019)

DIONISSIOS BALTZIS

Geneviève Forget
Geneviève Forget (Nov 22, 2019)

GENEVIÈVE FORGET

Rocco Di Fruscia
Rocco Di Fruscia (Nov 21, 2019)

ROCCO DI FRUSCIA