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PROSPECTUS

Initial Public Offering

March 29, 2018

PINE TRAIL CAPITAL TRUST
(a capital pool company)

\$400,000
4,000,000 Trust Units

Price: \$0.10 per Trust Unit

Pine Trail Capital Trust (the “**Trust**”), a Trust formed pursuant to the laws of the Province of Alberta, hereby qualifies for distribution, through its agent, Haywood Securities Inc. (the “**Agent**”), 4,000,000 Class A units of the Trust (“**Trust Units**”) at an issuance price of \$0.10 per Trust Unit for aggregate gross proceeds of \$400,000 (the “**Offering**”). The purpose of this Offering is to provide the Trust with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereinafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the “**Exchange**”) and, in the case of a Non Arm’s Length Qualifying Transaction, as hereinafter defined, must also receive Majority of the Minority Approval, as hereinafter defined, in accordance with Exchange Policy 2.4 - *Capital Pool Companies* (the “**CPC Policy**”). The Trust is a Capital Pool Company (“**CPC**”), as such term is defined in the CPC Policy. The Trust has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Trust will not carry on any undertaking other than the holding of Permitted Investments, as hereinafter defined, and the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See “*Undertaking of the Trust*” and “*Use of Proceeds*”.

	<u>Trust Units</u>	<u>Price to Public⁽¹⁾</u>	<u>Agent’s Commission⁽³⁾</u>	<u>Net Proceeds to the Trust⁽³⁾⁽⁴⁾</u>
Per Trust Unit	1	\$0.10	\$0.01	\$0.09
Total Offering ⁽²⁾⁽⁵⁾	4,000,000	\$400,000	\$40,000	\$360,000

Notes:

- (1) The offering price of the Trust Units hereunder was determined by negotiation between the Trust and the Agent.
- (2) 4,000,000 Trust Units are offered hereunder, not including the Agent’s Warrants, as defined herein, or the incentive unit options to be granted to Trustees, officers and consultants of the Trust to purchase up to 1,137,000 Trust Units at a price of \$0.10 per Trust Unit. The Agent’s Warrants and incentive unit options are qualified and distributed under this prospectus. See “*Plan of Distribution*” and “*Options to Purchase Securities*”.
- (3) A cash commission of 10% of the gross proceeds of the Offering will be paid to the Agent (the “**Agent’s Commission**”) upon the closing of the Offering. In addition, the Agent will be paid a corporate finance fee of \$12,500 plus applicable taxes (the “**Corporate Finance Fee**”) and the Trust will also reimburse the Agent for its reasonable expenses relating to the Offering, including fees and disbursements for the Agent’s legal counsel. The Trust has paid the Agent a \$12,000 deposit in respect of the Agent’s legal fees, expenses and disbursements. The Agent and its designated sub-agents, if any, will also be granted the Agent’s Warrants. The Agent’s Warrants are exercisable for a period of 24 months from the Closing Date, as hereinafter defined.
- (4) Before deducting the costs of this Offering estimated at \$150,000 which includes the Corporate Finance Fee, legal and audit fees and other expenses of the Agent and of the Trust, the listing fees payable to the Exchange and the filing fees payable to the Commissions. See “*Use of Proceeds*”.

- (5) Unless an amendment to the final prospectus is filed and the “principal regulator” under NP 11-202, as hereinafter defined, (the “**Securities Regulatory Authority**”) has issued a receipt for the amendment, the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the final prospectus by the Securities Regulatory Authority.

This Offering is made on a “commercially reasonable efforts” agency basis by the Agent and is subject to a subscription of 4,000,000 Trust Units for total gross proceeds to the Trust of \$400,000. The offering price of the Trust Units was determined by negotiation between the Trust and the Agent. All funds received from subscriptions for Trust Units will be held by the Agent pursuant to the terms of an agency agreement between the Trust and the Agent (the “**Agency Agreement**”). If the subscription is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the regulatory authorities and the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent and its designated sub-agents, if any, will be granted non-transferable warrants (the “**Agent’s Warrants**”) which will entitle the holder to purchase the number of Trust Units that is equal to 10% of the total number of Trust Units issued pursuant to the Offering at a price of \$0.10 per Trust Unit and which may be exercised for a period of 24 months from the Closing Date. The Agent’s Warrants and the Trust Units issuable on exercise of the Agent’s Warrants are qualified for distribution under this prospectus. See “*Plan of Distribution - Agency Agreement and Agent’s Compensation*”.

This prospectus also qualifies for distribution options to be granted to Trustees, officers and consultants of the Trust (the “**Trustees’ and Officers’ Options**”) at the Closing Date. The Trustees’ and Officers’ Options will entitle the holders to purchase an aggregate of 8% of the number of Trust Units that will be outstanding immediately after the closing (collectively 1,137,500) at a price of \$0.10 per Trust Unit and such options may be exercised for a period of five years from the date of grant. See “*Plan of Distribution*” and “*Options to Purchase Securities*”.

With the exception of the initial distribution of the Trust Units pursuant to this prospectus, the grant of the Agent’s Warrants and the grant of the Trustees’ and Officers’ Options, trading in all securities of the Trust is prohibited during the period between the date that the receipt for the preliminary prospectus was issued by the securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 - *Passport System* (“**MI 11-102**”) and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* (“**NP 11-202**”) and the time the Trust Units are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority(ies) grants a discretionary order.

The Trust has applied to list its Trust Units on the Exchange. Listing will be subject to the Trust fulfilling all of the requirements of the Exchange.

Investment in the Trust Units offered by this prospectus is highly speculative due to the nature of the Trust’s activities and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See “*Risk Factors*”.

There is currently no market through which the Trust Units offered by this prospectus may be sold and purchasers may not be able to resell the Trust Units purchased under this prospectus. This may affect the pricing of the Trust Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Trust Units, and the extent of issuer regulation. Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues per Trust Unit) of approximately \$0.04 per Trust Unit or 40.0%. The Trust was only recently formed and has no active business and does not currently own any assets other than cash. The objective of the Trust is to identify and evaluate property with a view to completing a Qualifying Transaction; however, there can be no assurance that the Trust will successfully complete a Qualifying Transaction. It is expected that the Trust will complete a Qualifying Transaction in the real estate sector with

a view to acquiring assets or businesses in Canada, indirectly through one or more corporations and/or partnerships. However such assets or businesses may be operated or located both inside and outside of Canada. **Although the Trust has commenced the process of identifying potential acquisitions, to date, the Trust has yet to enter into an Agreement in Principle, as hereinafter defined, in respect of such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic.** The Trust may find that even if the terms of a potential acquisition are economic, the Trust may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Trust has not placed any geographic restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any Trustees, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Trust, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of units from the Trust's treasury, control of the Trust may change and unitholders may suffer further dilution of their investment. The Trust will be in competition with other entities with greater resources. The Trust has neither a history of earnings nor has it paid any distributions and it is unlikely to generate earnings or pay distributions in the immediate or foreseeable future. The Exchange may suspend from trading or delist the Trust Units where the Trust has failed to complete a Qualifying Transaction within 24 months of the Listing Date. The Commissions may issue a cease trade order if the Trust is delisted from the Exchange. In addition, delisting of the Trust Units may result in the cancellation of all of the Trust Units of the Trust owned by Insiders issued prior to this Offering. Investors must rely solely on the expertise of the Trust's Promoters, as hereinafter defined, Trustees, officers and consultants for any possible return on their investment. The Trust's Promoters, Trustees, officers and Insiders, as hereinafter defined, and their Associates, as hereinafter defined, and Affiliates, as hereinafter defined, as a group, beneficially own or control, directly or indirectly, 10,000,000 Trust Units, which represents approximately 100% of the issued and outstanding Trust Units before giving effect to this Offering, and approximately 71.0% of the issued and outstanding Trust Units after giving effect to this Offering. The Trustees and officers of the Trust will only devote part of their time to the affairs of the Trust and there are potential conflicts of interest to which some of the Trustees and officers of the Trust will be subject in connection with the operations of the Trust. See "*Dilution*", "*Undertakings of the Trust*", "*Trustees, Officers and Promoters*", "*Use of Proceeds*", "*Conflicts of Interest*", and "*Risk Factors*".

The Trust intends to qualify as a "mutual fund trust" as defined in the Tax Act and thereafter remain a mutual fund trust without interruption. The Trust intends to not be a "SIFT trust" (as defined in the Tax Act), on the basis that it intends not to hold any "non-portfolio property" (as defined in the Tax Act). Prospective investors should be aware that the acquisition of the Trust Units described herein may have tax consequences in Canada, and such consequences may not be fully described herein. See "*Principal Canadian Federal Income Tax Considerations*".

No person is authorized by the Trust to provide any information or to make any representations other than those contained in this prospectus in connection with the issue and sale of the securities offered pursuant to this prospectus. See "*Plan of Distribution*".

The Agent conditionally offers these Trust Units on a "commercially reasonable efforts" agency basis, if, as and when subscriptions are accepted by the Trust, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Dentons Canada LLP, on behalf of the Trust, and by Peterson McVicar LLP on behalf of the Agent.

Pursuant to the CPC Policy, no purchaser of Trust Units is permitted to directly or indirectly purchase more than 2% of the total Trust Units offered under this prospectus, or 80,000 Trust Units (\$8,000). In addition, the maximum number of Trust Units that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of

that purchaser, is 4% of the total number of Trust Units offered under this prospectus, or 160,000 Trust Units (\$16,000).

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Trust Units sold under the Offering will be issued on an uncertificated basis. A purchaser of Trust Units will receive only a customer confirmation from the registered dealer from or through which the Trust Units were purchased as to the number of Trust Units. See “*Depository Services*”.

Agent for the Offering:

Haywood Securities Inc.
Bay Wellington Tower, Brookfield Place
181 Bay Street, Suite 2910
Toronto, ON, M5J 2T3
Canada

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GLOSSARY

“Affiliate” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the trustees of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“Agency Agreement” means the agency agreement dated March 29, 2018 between the Trust and the Agent.

“Agent” means Haywood Securities Inc.

“Agent’s Warrants” means the non-transferable compensation warrants to be granted by the Trust to the Agent or its designated sub-agents, if any, entitling the Agent and any sub-agents to purchase such number of Trust Units equal to up to 10% of the total number of Trust Units sold pursuant to the Offering at an exercise price of \$0.10 per Trust Unit and which may be exercised for a period of 24 months from the Closing Date.

“Aggregate Pro Group” means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Issuer to provide financing sponsorship and other advisory services.

“Agreement in Principle” means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction; and

in respect of which there are no material conditions to closing (other than receipt of unitholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm's Length Parties to the CPC or the Non Arm's Length Parties to the Qualifying Transaction.

"Associate" when used to indicate a relationship with a Person means:

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the Issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
- (d) in the case of a Person, a relative of that Person, including:
 - (i) that Person's spouse or child, or
 - (ii) any relative of that Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member company or holding company of a Member company, then such determination shall be determinative of their relationships in the application of Rule D. 1.00 of the TSXV Rule Book and Policies with respect to that Member firm, Member company or holding company.

"Canadian Resident" means a person who is not: (i) a person (within the Tax Act but, for greater certainty, not including a partnership) who is not a resident in Canada for the purposes of the Tax Act; or (ii) a partnership that is not a "Canadian partnership" as defined in the Tax Act.

"Closed Ended Trust" means an *inter vivos* trust the interest of each beneficiary under which is described by reference to units of the Trust and which does not qualify as a "unit trust" under paragraph 108(2)(a) of the Tax Act but which may, for greater certainty, qualify as a "unit trust" under paragraph 108(2)(b) of the Tax Act.

"Closing Date" means the date of the completion of the Offering.

"Commissions" means the Alberta Securities Commission, the British Columbia Securities Commission, the Ontario Securities Commission, the New Brunswick Securities Commission and the Nova Scotia Securities Commission.

"company" unless specifically indicated otherwise, means a company, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"Completion of the Qualifying Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

“Control Person” means any Person that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting securities of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

“CPC” means a company:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the Commissions in compliance with the CPC Policy; and
- (b) in regard to which the Final Exchange Bulletin has not yet been issued.

“CPC Policy” means Policy 2.4 - *Capital Pool Companies* of the Exchange.

“Declaration of Trust” means the Trust’s declaration of trust dated December 22, 2017, as may be amended from time to time.

“Escrow Agreement” means the escrow agreement dated March 29, 2018, among the Trust, the Transfer Agent and the founding unitholders of the Trust.

“Exchange” or **“TSXV”** means the TSX Venture Exchange Inc.

“Exempt Plan” has the meaning given to that term under “Eligibility for Investment” discussed in “Principal Canadian Federal Income Tax Considerations”.

“Final Exchange Bulletin” means the Exchange bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“Gross Book Value” means, at any time, the greater of: (i) the value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated statement of financial position prepared in accordance with IFRS, less the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust; and (ii) the historical cost of the assets of the Trust and its consolidated subsidiaries.

“IFRS” means, at any time, the standards and interpretations adopted by the International Accounting Standards Board, as amended from time to time.

“Initial Listing Requirements” means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular Tier of the Exchange.

“Initial Public Offering” or **“IPO”** means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first prospectus.

“Insider” if used in relation to an Issuer, means:

- (a) a trustee or senior officer of the Issuer;
- (b) a trustee or senior officer of the company that is an Insider or subsidiary of the Issuer;

- (c) a Person that beneficially owns or controls, directly or indirectly, voting units carrying more than 10% of the voting rights attached to all outstanding voting units of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

“**Issuer**” means a company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant company seeking a listing of its securities on the Exchange.

“**Listing Date**” means the date of listing of the Trust Units on the Exchange.

“**Majority of the Minority Approval**” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by Trust Unitholders, other than:

- (a) Non Arm’s Length Parties to the CPC;
- (b) Non Arm’s Length Parties to the Qualifying Transaction; and
- (c) in the case of a related party transaction:
 - (i) if the CPC holds its own units, the CPC, and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction;

at a properly constituted meeting of the Trust Unitholders of the CPC.

“**Member**” means a Person who has executed the Members’ Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

“**Members’ Agreement**” means the members’ agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange under the Exchange requirements.

“**NEX**” means the market on which former Exchange and Toronto Unit Exchange Issuers that do not meet Exchange Tier maintenance requirements for Tier 2 Issuers may continue to trade.

“**Non Arm’s Length Party**” means:

- (a) in relation to a company, a Promoter, officer, trustee, director, other Insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons; and
- (b) in relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, trustee, director, Insider or Control Person.

“**Non Arm’s Length Parties to the Qualifying Transaction**” means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm’s Length Parties of the Vendor(s), the Non Arm’s Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

“Non Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“Non-Resident” means: (i) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax act; or (ii) a partnership that is not a “Canadian partnership” as defined in the Tax Act.

“Open Ended Trust” means an *inter vivos* trust the interest of each beneficiary under which is described by reference to units of the trust which qualifies as a “unit trust” under paragraph 108(2)(a) of the Tax Act.

“Permitted Investments” means bonds, debentures, mortgages, hypothecary claims, notes or other similar obligations issued by the Government of Canada or any province of Canada, or cash in Canadian dollars.

“Person” means a company or individual.

“Principal” means:

- (a) a Person who acted as a Promoter of the Issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;
- (b) a trustee, director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a **“20% holder”** – a Person or company that holds securities carrying more than 20% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a **“10% holder”** – a Person or company that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more trustees or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A company in which more than 50% ownership is held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities include in both the Principals’ securities of the entity and the total securities of the entity outstanding.) Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal’s spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the Issuer that such entity holds will be subject to escrow requirements.

“Pro Group” means:

- (a) subject to subparagraphs (b), (c) and (d), “Pro Group” shall include, either individually or as a group:
 - (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and trustees of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv);
- (b) the Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm’s length to the Member;
- (c) the Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm’s length of the Member;
- (d) the Exchange may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
 - (i) the Person is an Affiliate or Associate of the Member is acting at arm’s length of the Member;
 - (ii) the Affiliate or Associate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the Affiliate or Associate; and
 - (iv) the Member maintains a list of such excluded Persons.

“Promoter” has the meaning ascribed to it in section 1(rr) of the *Securities Act* (Alberta).

“Qualifying Transaction” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

“Qualifying Transaction Party” means a party that completes a Qualifying Transaction with the Trust.

“Redemption Notes” means debt securities of the Trust or any subsidiary of the Trust that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of 10 years or less, are pre-payable at any time at the option of the issuer prior to maturity, without notice, bonus or penalty and pay an annual rate of interest equal to the Canada T-Bill Rate, which interest is payable quarterly in arrears.

“REIT” means real estate investment trust.

“Resulting Issuer” means the Issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

“Seed Capital” or **“Seed Units”** means securities issued before an Issuer’s IPO, or by a private Target Company before a reverse take-over bid, change of undertaking or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

“SEDAR” means System for Electronic Document Analysis and Retrieval.

“Significant Assets” means one or more assets which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements.

“Sponsor” has the meaning specified in Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements.

“Target Company” means a company to be acquired by the CPC as a Significant Asset pursuant to a Qualifying Transaction.

“Tax Act” means the *Income Tax Act* (Canada), RSC 1985, c 1 (5th Supp), including the *Income Tax Regulations* from time to time promulgated thereunder, as amended from time to time.

“Transfer Agent” means TSX Trust Company.

“Trustees’ and Officers’ Options” means options to be granted at the Closing Date to Trustees, officers and consultants of the Trust which options will entitle the holders to purchase up to a number of Trust Units equal to 8% of the number of Trust Units that will be outstanding immediately after the Closing Date (1,137,500 Trust Units), at a price of \$0.10 per Trust Unit and which options may be exercised for a period of five years from the date of grant.

“Trust” means Pine Trail Capital Trust, a trust created by the Declaration of Trust and having its office in the City of Calgary, in the Province of Alberta.

“Trust Units” means Class A units of the Trust.

“Trust Unitholder” means a holder of one or more Trust Units.

“Vendor” or **“Vendors”** means one or all of the beneficial owners, of the Significant Assets (other than a Target Company(ies)).

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

- The Trust:** The Trust is a trust formed under the laws of the Province of Alberta by the Declaration of Trust dated December 22, 2017, as may be amended from time to time and having its registered office at 15th Floor, Bankers Court, 850 – 2nd Street SW in the City of Calgary in the Province of Alberta. The Trust will be a CPC. **From and after the Closing Date, it is intended that the Trust will be a “mutual fund trust” as defined in the Tax Act and thereafter remain a mutual fund trust without interruption.**
- Undertaking of the Trust:** The principal undertaking of the Trust will be holding Permitted Investments and the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Trust has not commenced commercial operations and has no assets other than a minimal amount of cash. See *“Undertaking of the Trust”*.
- Offering:** A total of 4,000,000 Trust Units are being offered under this prospectus at a price of \$0.10 per Trust Unit. In addition, the Trust will issue to the Agent and its designated sub-agents, if any, the Agent’s Warrants to purchase up to that number of Trust Units equal to 10% of the aggregate Trust Units sold pursuant to the Offering, being a maximum of 400,000 Trust Units, at an exercise price of \$0.10 per Trust Unit and which will be exercisable for a period of 24 months from the Closing Date. The grant of the Agent’s Warrants is qualified under this prospectus. The Trust also intends to grant Trustees and Officers’ Options to purchase up to an aggregate of 1,137,500 Trust Units to Trustees, officers and consultants under the Trust’s Option Plan. The grant of all Trustees’ and Officers’ options is also qualified under this prospectus. See *“Plan of Distribution”* and *“Options to Purchase Securities”*.
- Use of Proceeds:** After deducting the Agent’s Commission of \$40,000 and estimated expenses of the Offering of \$150,000, the net proceeds to us from the sale of the Trust Units will be \$210,000. The net proceeds of this Offering will be used to provide the Trust with a minimum of funds with which to identify and evaluate assets or business for acquisition with a view to completing a Qualifying Transaction. The Trust may not have sufficient funds to secure such business or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or \$210,000 may be used for purposes other than evaluating business or assets. See *“Use of Proceeds”*.
- Trustees and Management:** The following are the trustees and officers of the Trust:
- | | | |
|-------------------------|---|-------------------------------------|
| Sean Nakamoto | - | Trustee and Chief Executive Officer |
| Jonathan Wolch | - | Trustee |
| Mohammed Atiq Nakrawala | - | Trustee |
| Andrew Shapack | - | Trustee |

David Luu

- Chief Financial Officer and Secretary of the Trust

Andrew Shapack and Sean Nakamoto are considered the Promoters of the Trust. See “*Trustees, Officers, and Promoters*” and “*Promoter*”.

Escrowed Securities:

All of the currently issued and outstanding Trust Units, being 10,000,000 Trust Units issued at a price of \$0.05 per unit, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “*Escrowed Securities*”.

Risk Factors

Investment in the Trust Units offered by this prospectus is highly speculative due to the nature of the Trust’s activities and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See “*Risk Factors*”.

There is currently no market through which the Trust Units offered by this prospectus may be sold and purchasers may not be able to resell the Trust Units purchased under this prospectus. This may affect the pricing of the Trust Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Trust Units, and the extent of issuer regulation. Redemption rights under the Declaration of Trust are restricted and provide limited opportunity for Investors to liquidate their investment in Trust Units. In particular, Trust Units may not be redeemed until Completion of a Qualifying Transaction, and at discount to the market price of the Trust Units.

The Trust was only recently formed, has not commenced any commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay distributions until at least after Completion of the Qualifying Transaction. The status of the Trust as a trust is useful only for certain types of transactions and may limit the ability of the Trust to complete a Qualifying Transaction. If it is necessary to convert the Trust to a different legal structure, such as a corporation or limited partnership, the Trust may incur costs in respect of that conversion as well as possible tax or other financial consequences.

Upon Completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues per Trust Unit) of approximately \$0.04 per Trust Unit or 40.0%. The Trust was only recently formed and has no active business and does not currently own any assets other than cash. The objective of the Trust is to identify and evaluate assets and businesses with a view to completing a Qualifying Transaction; however, there can be no assurance that the Trust will successfully complete a Qualifying Transaction. It is expected that the Trust will complete a Qualifying Transaction in the real estate sector with a view to acquiring assets or businesses in Canada, indirectly through one or more corporations and/or partnerships. However, such assets or businesses may be operated or located both inside and outside of Canada.

Although the Trust has commenced the process of identifying potential acquisitions, to date, the Trust has yet to enter into an Agreement in Principle (as hereinafter defined) in respect of such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such

potential acquisitions uneconomic. The Trust may find that even if the terms of a potential acquisition are economic, the Trust may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Trust has not placed any geographic restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any Trustees, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Trust, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of units from the Trust's treasury, control of the Trust may change and unitholders may suffer further dilution of their investment. The Trust will be in competition with other entities with greater resources. The Trust has neither a history of earnings nor has it paid any distributions and it is unlikely to generate earnings or pay distributions in the immediate or foreseeable future. The Exchange may suspend from trading or delist the Trust Units where the Trust has failed to complete a Qualifying Transaction within 24 months of the Listing Date. The Commissions may issue a cease trade order if the Trust is delisted from the Exchange. In addition, delisting of the Trust Units may result in the cancellation of all of the Trust Units of the Trust owned by Insiders issued prior to this Offering. Investors must rely solely on the expertise of the Trust's Promoters, as hereinafter defined, Trustees, officers and consultants for any possible return on their investment. The Trust's Promoters, Trustees, officers and Insider, as hereinafter defined, and their Associates, as hereinafter defined, and Affiliates, as hereinafter defined, as a group, beneficially own or control, directly or indirectly, 10,000,000 Trust Units, which represents approximately 100% of the issued and outstanding Trust Units before giving effect to this Offering, and approximately 71% of the issued and outstanding Trust Units after giving effect to this Offering. The Trustees, officers and consultants of the Trust will only devote part of their time to the affairs of the Trust and there are potential conflicts of interest to which some of the Trustees and officers of the Trust will be subject in connection with the operations of the Trust. See "*Dilution*", "*Undertakings of the Trust*", "*Trustees, Officers and Promoters*", "*Use of Proceeds*", "*Conflicts of Interest*", and "*Risk Factors*".

THE TRUST

Pine Trail Capital Trust was formed under the laws of the Province of Alberta by a Declaration of Trust dated December 22, 2017. From and after the Closing Date, it is intended that the Trust will be a “mutual fund trust” as defined in the Tax Act, and thereafter remain a mutual fund trust without interruption (but not a “mutual fund” nor an “investment fund” within the meaning of applicable Canadian securities legislation).

The head and registered office of the Trust is located at 15th Floor, Bankers Court, 850 – 2nd Street SW Calgary, AB, T2P 0R8.

UNDERTAKINGS OF THE TRUST

Preliminary Expenses

To date the Trust has raised \$500,000 through the sale of 10,000,000 Trust Units (see “*Prior Sales*” and “*Capitalization*”). As of the date hereof, the Trust has paid \$12,000 (plus applicable taxes) to the Agent, representing the retainer paid to the Agent toward its legal fees, expenses and disbursements. In addition, the Trust has paid \$7,500 (plus applicable taxes) to the Exchange towards the initial listing fee. A portion of the Offering proceeds will be used to satisfy the obligations of the Trust related to the Offering, including additional expenses of the Agent, the Agents’ Commission, the legal, audit and printing cost of the Trust and the remaining fees payable to the Exchange and the Commissions. See “*Use of Proceeds*”.

Proposed Operations until Completion of a Qualifying Transaction

The Trust proposes to identify and evaluate business and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction, is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Trust has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests. The Trust currently intends to pursue a Qualifying Transaction in the real estate investment sector but there is no assurance that this will, in fact, be the sector of a proposed Qualifying Transaction or of the Trust following the Completion of the Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Trust will not carry on any undertaking other than the holding of Permitted Investments and the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under “*Use of Proceeds – Private Placements for Cash*” and “*Use of Proceeds – Restrictions on Use of Proceeds*”, the funds raised pursuant to this Offering and any subsequent financing will be used only for Permitted Investments and the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Trust has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Trust has not yet entered into an Agreement in Principle.

Method of Financing

The Trust may use cash, bank financing, the issuance of treasury units, public financing of debt or equity or a combination of these for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury units could result in a change in the control of the Trust and may cause the unitholders’ interest in the Trust to be further diluted.** See “*Risk Factors*”.

Criteria for a Qualifying Transaction

The Trust will consider acquisitions of assets or businesses operated or located in Canada, subject to the limitations set out in the Declaration of Trust and as permitted by the CPC Policy. All potential acquisitions will be screened initially by the management of the Trust to determine their economic viability. The Trustees will examine proposed acquisitions with a view to sound business fundamentals while using their collective expertise and experience. The Trustees of the Trust must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the Trustees will act honestly and in good faith with a view to the best interests of the Trust and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Filings and Unitholder Approval of a Non Arm's Length Qualifying Transaction

Upon the Trust reaching an Agreement in Principle, the Trust must issue a comprehensive news release, at which time the Exchange generally will halt trading of the Trust Units until the filing requirements of the Exchange have been satisfied as set forth under "*Undertakings of the Trust – Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Trust shall be required to submit for review to the Exchange either an information circular that complies with applicable securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Trust, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2, as the case may be, of the Exchange. Upon acceptance by the Exchange, the Trust must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its unitholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of unitholders.

Unless waived by the Exchange, the Trust will also be required to retain a Sponsor, who must be a Member of the Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the policies of the Exchange. The Trust will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Trust from completing a reverse takeover for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's Initial Listing Requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspensions and Delisting

The Exchange will generally halt trading in the Trust Units from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be Trustees, senior officers, Promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Trust Units for public policy reasons including:

- (a) the unacceptable nature of the undertakings of the Resulting Issuer; or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, Completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Trust fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the Trust fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Trust Units where the Exchange has not issued a Final Exchange Bulletin to the Trust within 24 months of the Listing Date. In the event that the Trust Units are delisted by the Exchange, within 90 days from the date of such delisting, the Trust shall wind up and shall make a pro rata distribution of its remaining assets to its unitholders, unless unitholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Trust, determine to deal with the Issuer or its remaining assets in some other manner. See "*Undertakings of the Trust – Filings and Unitholder Approval of the Qualifying Transaction*".

If the Trust has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on NEX (the market on which former Exchange and Toronto Unit Exchange Issuers that do not meet the Initial Listing Requirements for Tier 2 issuers may continue to trade) rather than be delisted. In order to be eligible to list on NEX the Trust must:

- (a) obtain majority unitholder approval for the transfer to NEX exclusive of the votes of Non Arm's Length Parties of the Trust; and
- (b) either:
 - (i) cancel all Seed Units purchased by Non Arm's Length Parties to the Trust at a discount to the IPO price, in accordance with section 11.2(a) of the CPC Policy, as if the Trust had delisted from the Exchange, or

- (ii) subject to majority unitholder approval, cancel an amount of the Seed Units purchased by Non Arm's Length Parties to the Trust so that the average cost of the remaining Seed Units is at least equal to the IPO price.

If the Trust lists on the NEX, the Trust must continue to comply with all the requirements and restrictions of the CPC Policy.

Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee unitholders and partners of such Member firm; and
 - (iii) Associates of any such person;collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the trustees and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as trustees or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

DECLARATION OF TRUST

The Trust is governed by a Declaration of Trust dated December 22, 2017, which contains the terms and conditions governing the relationship between the Trustees, as trustees, and the Trust Unitholders, as beneficiaries, and among the Trust Unitholders. The Trust may make amendments to the Declaration of Trust in accordance with its amendment provisions. See "*Amendments to the Declaration of Trust*".

The following is a summary only of certain provisions of the Declaration of Trust and is qualified in its entirety by the Declaration of Trust. Prospective purchasers of Trust Units may inspect a copy of the Declaration of Trust, during normal business hours at the offices of the Trust, 15th Floor, Bankers Court, 850 – 2nd Street SW in the City of Calgary in the Province of Alberta. In addition, each Trust Unitholder has the right to obtain from the Trust, on request without fee, a copy of the Declaration of Trust and any amendments thereto. The Declaration of Trust is also available under the Trust's profile on SEDAR at www.sedar.com.

Investment Guidelines of the Trust – Closed Ended Trust

During the period that the Trust is a Closed Ended Trust, it is intended that the Trust shall qualify as a “unit trust” pursuant to paragraph 108(2)(b) of the Tax Act and, in furtherance thereof, the Trust shall only invest in, acquire or hold:

- (a) bonds, debentures, mortgages, hypothecary claims, notes or other similar obligations issued by the Government of Canada, any province of Canada or a Canadian municipality; and
- (b) cash in Canadian dollars.

It is anticipated that the Trust will be a Closed Ended Trust until immediately before the completion of a Qualifying Transaction.

Investment Guidelines – Open Ended Trust

After the conversion of the Trust to an Open Ended Trust, the Trust shall no longer be required to comply with the investment guidelines for the Trust as a Closed Ended Fund set out above, and instead shall comply with the following investment guidelines and restrictions:

- (a) the assets of the Trust may be invested only with the approval of the Trustees;
- (b) the Trust may acquire, invest, hold, transfer, dispose of and otherwise deal with securities of whatever nature or kind (other than a general partnership interest) of, or issued by any other corporation, partnership, trust or other person involved in the business of acquiring, holding, maintaining, improving or investing in real property, and such other investments as the Trustees may determine, from time to time;
- (c) once the Trust qualifies as a “mutual fund trust” for the purposes of the Tax Act, the Trust shall not make any investment, take any action or omit to take any action that would result in Trust not being a “mutual fund trust” for the purposes of the Tax Act or that would result in the Trust Units not being qualified investments for Exempt Plans;
- (d) the Trustees shall use their reasonable commercial efforts to operate the Trust and restrict its investment and activities to ensure that the Trust is not a SIFT Trust, as hereinafter defined, for the purposes of the Tax Act;
- (e) the Trust shall not invest in any interest in a single investment, if, after giving effect to the proposed investment, the cost to the Trust of such investment, excluding investment by any joint venture partner, will exceed 50% of Gross Book Value at the time the investment is made;
- (f) the Trust may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the Trust; provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the Trust’s and any joint venturer’s interest in the joint venture arrangement, provisions to provide liquidity to the Trust, provisions to limit the liability of the Trust and its Trust Unitholders to third parties, and provisions to provide for the participation of the Trust in the management of the joint venture arrangement. For the purposes hereof, a “joint venture arrangement” is an arrangement between the Trust and one or more other persons pursuant to which the Trust,

directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the Trust and in respect of which the Trust may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;

- (g) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (h) the Trust may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - (i) the real property which is security for such mortgages and similar instruments is income producing real property which otherwise meets the other investment guidelines of the Trust; and
 - (ii) the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value;
- (i) the Trust may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 10% of the Gross Book Value of the Trust in investments which do not comply with one or more of paragraphs (a), l, (f), (h) and (i).

For the purpose of the foregoing restrictions (other than in respect of (b) to (d), above), the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Undertakings and Policies of the Trust

- (a) The Trust may, among other things, in accordance with the Declaration of Trust:
 - (i) issue Trust Units and other securities of the Trust (including warrants, options, special warrants, subscription receipts or other rights to acquire Trust Units, Redemption Notes or other securities of the Trust), for the purposes of:
 - 1) obtaining funds to conduct the undertakings and activities of the Trust, including raising funds for further investments, acquisitions or development;
 - 2) repaying any indebtedness or borrowings of the Trust and its subsidiaries;
 - 3) establishing and implementing unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, incentive option plans or other compensation plans, if any, established by the Trust or an affiliate of the Trust;
 - 4) making non-cash distributions to Trust Unitholders as contemplated by the Declaration of Trust, including *in specie* redemptions and distributions pursuant to distribution reinvestment plans, if any, established by the Trust;
 - 5) giving effect to any arrangement or reorganization; or

- 6) satisfying obligations (if any) to pay the applicable redemption price for a redemption, purchase or other acquisition of Trust Units, in certain circumstances contemplated in the Declaration of Trust;
 - (ii) guarantee the obligations of its affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities and other property owned by the Trust as security for any obligations of the Trust, including obligations under any such guarantee;
 - (iii) grant security in any form, over any or all of the assets of the Trust to secure any or all of the obligations of the Trust or its affiliates;
 - (iv) repurchase or redeem securities of the Trust, including Trust Units, subject to the provisions of the Declaration of Trust and applicable law;
 - (v) carry out any of the transactions, and entering into and performing any of the obligations of the Trust under any agreements contemplated by the Declaration of Trust;
 - (vi) hold bonds, debentures, mortgages, hypothecary claims, notes or other similar obligations issued by the Government of Canada, any province of Canada or a Canadian municipality, as well as cash in Canadian dollars; and
 - (vii) undertake such other activities or take such actions, including investing in securities, as is to be approved by the Trustees from time to time;
- (b) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 – *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
- (c)
 - (i) any written instrument creating or including an obligation on the Trust to grant a mortgage; and
 - (ii) to the extent practicable, any written instrument which in the judgment of the Trustees (exercised in accordance with their fiduciary duties to act in the best interest of the Trust Unitholders) creates a material obligation of the Trust, must, in each case, contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, the private property of any of the Trustees, Trust Unitholders, annuitants under a plan of which a Trust Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;
- (d) if the Trust makes investments in real property, title to each real property shall be held by and registered in the name of a corporation or other entity wholly-owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust, with joint venturers; provided, that where land tenure will not provide fee simple title, a corporation or other entity wholly-owned, directly or indirectly, by the Trust or jointly owned, directly or indirectly, by the Trust shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;

- (e) the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the Trust holds an interest, directly or indirectly, or by an entity jointly owned by the Trust with joint venturers and operated solely for the purpose of holding a particular investment, where such indebtedness, if granted by the Trust directly, would cause the Trust to contravene its investment guidelines or operating policies. The Trust is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the Trust pursuant to the acquisition of an investment; or (ii) if doing so is necessary or desirable in order to further the initiatives of the Trust permitted under this Declaration of Trust;
- (f) the Trust shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties.

The Trust expects to complete a Qualifying Transaction in the real estate sector and to eventually operate as a Canadian public REIT.

Trustees

Under the Declaration of Trust, the Trustees shall consist of not less than one and no more than 11 Trustees, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees. A majority of the Trustees must be Canadian Residents at all times.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees are to supervise the activities of and manage the affairs of the Trust and, as trustees, the Trustees have full, absolute and exclusive power, control, authority and discretion over the Trust's assets and over, and management of, the affairs of the Trust to the same extent as if the Trustees were the sole and absolute legal and beneficial owner of the Trust's assets. Subject only to express limitations in the Declaration of Trust, and provided that the exercise of such powers and authorities does not adversely affect the status of the Trust as a "unit trust" or a "mutual fund trust" (as such term is defined in the Tax Act) for purposes of the Tax Act, the Trustees' powers and authorities include, but are not limited to, the following:

- (a) supervising the activities and managing the investments and affairs of the Trust;
- (b) maintaining records and providing reports to Trust Unitholders;
- (c) opening, operating and closing accounts and other similar credit, deposit and banking arrangements and negotiating and signing banking and financing contracts and agreements;
- (d) borrowing money upon the credit of the Trust and the creditworthiness of the Trust assets;
- (e) issuing, reissuing, selling or pledging debt obligations of the Trust and to make, accept, endorse, negotiate or otherwise deal with bonds, debentures, cheques, drafts, notes, orders for the payment of money, bills of exchange, bills of lading, acceptances and other similar instruments and obligations;
- (f) giving a guarantee on behalf of the Trust to secure performance of an obligation of another person necessary or useful to carry out the purposes of the Trust;

- (g) mortgaging, hypothecating, pledging or otherwise creating a security interest in all or any movable or personal, immovable or real or other property of the Trust, owned or subsequently acquired, to secure any obligation of the Trust;
- (h) issuing and selling any type of securities or convertible securities and borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and enter into hedging arrangements with respect thereto and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, hypothecate, pledge, assign or grant a security interest in any money owing to the Trust or in Trust assets or engage in any other means of financing the Trust;
- (i) obtaining security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (j) exercising and enforcing any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;
- (k) establishing one or more offices of the Trust;
- (l) managing the Trust assets;
- (m) determining conclusively the value of any or all of the Trust assets from time to time and, in determining such value, to consider such information and advice as the Trustees in their sole judgment, may deem material and reliable;
- (n) causing legal title to any of the assets of the Trust to be held by or in the name of a Trustee, or except as prohibited by law, by or in the name of the Trust or any other custodian or person, on such terms, in such manner, with such powers in such person as the Trustees may determine and with or without disclosure that the Trust or the Trustee is interested therein;
- (o) causing title to any of the Trust assets to be drawn up in the name of such person on behalf of the Trust or, to the extent permitted by applicable law, in the name of the Trust, as the Trustees determine;
- (p) except as prohibited by applicable law, delegating any of the administrative powers and duties of the Trustees to any one or more agents, representatives, officers, employees, independent contractors or other persons, the doing of such things and the exercise of such powers hereunder as the Trustees may from time to time consider expedient, so long as such delegation is not inconsistent with any of the provisions of the Declaration of Trust and subject at all times to the general control and supervision of the Trustees as provided for therein;
- (q) granting broad discretion to any person to administer and manage the day-to-day operations of the Trust and to make administrative decisions which conform to the general policies and principles set forth in this Declaration of Trust or otherwise established by the Trustees from time to time;

- (r) investing and holding shares, trust units, beneficial interests, partnership interests (other than general partnership interests), joint venture interests or other interests in any person necessary or useful to carry out the undertaking of the Trust;
- (s) determining conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements;
- (t) entering into any agreement or instrument to create or provide for the issue of Trust Units (including any firm commitment or best efforts underwriting or agency agreement), to cause such Trust Units to be issued for such consideration as the Trustees, in their sole discretion, may deem appropriate, and to do such things and prepare and sign such documents, including an offering document for the sale of securities of the Trust and any registration rights agreement, to qualify or facilitate the distribution of such Trust Units in whatever jurisdictions they are sold or offered for sale;
- (u) giving effect to any arrangement, reorganization, at any time and from time to time;
- (v) making or causing to be made application for the listing or quotation on any unit exchange or market of any Trust Units or other securities of the Trust, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings or quotations;
- (w) collecting, suing for and receiving all sums of money or other property or items that are believed due to the Trust;
- (x) effecting payment of distributions to Trust Unitholders;
- (y) investing funds of the Trust;
- (z) possessing and exercising all the rights, powers and privileges pertaining to the ownership of the securities of any affiliate of the Trust, to the same extent that an individual might, unless otherwise limited by the Declaration of Trust, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;
- (aa) where reasonably required, to engaging, employing or contracting with or retaining on behalf of the Trust any persons as agents, representatives, employees or independent contractors (including investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, technical advisors, depositories, custodians, transfer agents or otherwise) in one or more capacities;
- (bb) except as prohibited by applicable law, delegating any of the powers and duties of the Trustees to any one or more agents, representatives, officers, employees, independent contractors or other persons (including an Administrator, if appointed) the doing of such things and the exercise of such powers hereunder as the Trustees may from time to time reasonably require, so long as any such delegation is not inconsistent with any of the provisions of this Declaration of Trust and subject at all times to the general control and supervision of the Trustees as provided for herein;
- (cc) engaging in, intervening in, prosecuting, joining, defending, compromising, abandoning or adjusting, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the assets of the Trust or the Trust's affairs, to

enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;

- (dd) arranging for insurance contracts and policies insuring the Trust, its assets, any affiliate of the Trust and/or any or all of the Trustees or the Trust Unitholders, including against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees or Trust Unitholders;
- (ee) issuing or redeeming Trust Units (or rights, warrants, convertible securities, options or other securities) for such consideration as the Trustees may deem appropriate in their sole discretion and such redemption to be subject to the terms and conditions of the Declaration of Trust;
- (ff) ensuring that, once it so qualifies as a "mutual fund trust" pursuant to the Tax Act, the Trust remain a "mutual fund trust";
- (gg) ensuring that the Trust is at all times not a SIFT trust pursuant to Tax Act;
- (hh) entering into agreements with respect to the indemnification of, any person with whom the Trust has dealings including, without limitation, the Trustees, registrar and Transfer Agent or escrow agent, to such extent as the Trustees determine and to the extent permitted by applicable law;
- (ii) without the approval or confirmation of Trust Unitholders, enacting and from time to time amending or repealing by-laws not inconsistent with this Declaration of Trust containing provisions relating to the Trust, the Trust assets and the conduct of the affairs of the Trust, but not in conflict with any provision of the Declaration of Trust;
- (jj) paying all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustees in connection with the Trust assets, undertaking or income of the Trust, or imposed upon or against the Trust's assets, undertaking or income of the Trust or Net Realized Capital Gains (as such term is defined in the Declaration of Trust), or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of the income of the Trust or Net Realized Capital Gains distributed to holders of Trust Units in the year and any other matter as is to be permitted under the Tax Act or any other tax laws, and do all such other acts and things as may be deemed by the Trustees in their sole discretion to be necessary, desirable or convenient;
- (kk) guaranteeing the obligations of any subsidiary of the Trust and granting security interests in the Trust assets as security for such guarantee;
- (ll) subdividing or consolidating from time to time the issued and outstanding Trust Units;
- (mm) providing indemnities for Trustees and the directors and officers of any affiliate of the Trust;
- (nn) forming any subsidiary or affiliate of the Trust for the purpose of making investments permitted for that purpose pursuant to the Declaration of Trust and entering into or amending any unanimous shareholders agreement or other agreement on such terms as may be approved by the Trustees;

- (oo) purchasing or otherwise acquire Trust Units for cancellation in accordance with applicable regulatory requirements;
- (pp) determining a date for termination and dissolution of the Trust; and
- (qq) doing all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust whether or not specifically mentioned herein.

The management of the undertakings and affairs of the Trust resides with the Trustees. The Trust may but is not required to hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis. At annual meetings of Trust Unitholders (if any), Trustees are to be elected by Trust Unitholders. Such election or appointment is to be made by ordinary resolution passed at a meeting of Trust Unitholders convened and held for the purpose of electing Trustees or an ordinary resolution in writing in lieu of a meeting of Trust Unitholders. The Trustees may appoint additional Trustees at any time and from time to time provided the maximum number of Trustees so appointed does not exceed one half of the number of Trustees who held office as of the effective date of the Declaration of Trust and the last meeting of Trust Unitholders at which Trustees were elected, whichever is later. A Trustee may resign upon 30 days' written notice to the Trust. If a Trustee resigns, is removed as a trustee of the Trust, becomes incapable of acting or otherwise vacates such office, the remaining Trustees may fill the resulting vacancy without the need for a Trust Unitholders' meeting. Alternatively, a successor trustee may be appointed by resolution of the Trust Unitholders to fill the vacancy.

The Declaration of Trust provides that the Trustees must, as trustees, act honestly and in good faith with a view to the best interests of the Trust and will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that, as trustees, the Trustees and officers of the Trust are entitled to indemnification from the Trust in respect of the exercise of the Trustees' power and the discharge of the Trustees' duties, provided that the Trustee(s) seeking indemnity (or officer of the Trust seeking indemnity), acted honestly and in good faith with a view to the best interests of the Trust or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustees (or officer of the Trust seeking indemnity) had reasonable grounds for believing that its conduct was lawful.

Nomination of Trustees

Only persons who are nominated in accordance with the following procedures shall be eligible for election as Trustees of the Trust. Nominations of persons for election as Trustees may be made at any annual meeting of Trust Unitholders, or at any special meeting of Trust Unitholders, if one of the purposes for which the special meeting was called was the election of Trustees:

- (a) By or at the direction of the Trustees, including pursuant to a notice of meeting.
- (b) By or at the direction or request of one or more Trust Unitholders pursuant to a requisition of the Trust Unitholders made in accordance with the Declaration of Trust; or by any person (a "**Nominating Trust Unitholder**"): (i) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the register of securities of the Trust as a holder of one or more Trust Units carrying the right to vote at such meeting or who beneficially owns Trust Units that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below and in the Declaration of Trust.

- (c) In addition to any other applicable requirements, for a nomination to be made by a Nominating Trust Unitholder, the Nominating Trust Unitholder must have given timely notice thereof to the Trustees in the manner prescribed by the Declaration of Trust. Furthermore, if such notice is made on a day which is not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such notice shall be deemed to have been made on the subsequent day that is a business day.
- (d) To be timely, a Nominating Trust Unitholder's notice to the Trustees must be made:
- a. in the case of an annual meeting of Trust Unitholders, not less than 30 nor more than 60 days prior to the date of the annual meeting of Trust Unitholders; provided, however, that in the event that the annual meeting of Trust Unitholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Trust Unitholder may be made not later than the close of business on the 10th day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of Trust Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of Trust Unitholders was made. In no event shall any adjournment or postponement of a meeting of Trust Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Trust Unitholder's notice as described above.
- (e) To be in proper written form, a Nominating Trust Unitholder's notice to the Trustees must set forth:
- a. as to each person whom the Nominating Trust Unitholder proposes to nominate for election as a Trustee: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of Trust Units in the capital of the Trust which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Trust Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable laws; and
 - b. as to the Nominating Trust Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Trust Unitholder has a right to vote any Trust Units of the Trust and any other information relating to such Nominating Trust Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable laws.
- (f) The Trustees may amend the Declaration of Trust without Trust Unitholder approval to provide the right to a Qualifying Transaction Party to nominate such number of Trustees (each a "**Qualifying Transaction Party Nominees**"), up to a maximum of not more than half of the Trustees appointed prior to the Completion of the Qualifying Transaction, concurrently with, or immediately following the Completion of the Qualifying Transaction, provided that the Qualifying Transaction Party making such nomination holds no less than 20% of the Trust Units and a majority of Trustees following the appointment of the Qualifying Transaction Party Nominees are resident in Canada.

- (g) The Trustees may, without approval of Trust Unitholders, increase the size of the board of Trustees to create such number of vacancies required to appoint the Qualifying Transaction Party Nominees as Trustees, and upon the creation of such vacancies, the Qualifying Transaction Party Nominees shall become Trustees.
- (h) The Trustees shall have the exclusive right to fill vacancies caused by one of the Qualifying Transaction Party Nominees ceasing to hold office, provided such replacement Trustee is qualified to serve as a Trustee and the Trustees shall only fill vacancies occurring by one of the Qualifying Transaction Party Nominees ceasing to hold office by an individual so nominated by the Qualifying Transaction Party and, upon such nominee being thereafter appointed by the Trustees, such individual shall serve as a Trustee.
- (i) Prior to, or concurrently with, the effective time of the Qualifying Transaction, the Trustees may amend the nomination and appointment of Trustees section(s) of the Declaration of Trust without Trust Unitholder approval, including to amend, delete or replace such section(s) in their entirety, or otherwise amend or change such applicable sections as may be desired or required in connection with the Qualifying Transaction or to cause the Declaration of Trust's provisions in respect of the appointment or nomination of Trustees to accord with market conditions or the customary provisions of similar issuers or otherwise.
- (j) The Trust may require any proposed nominee, including a Qualifying Transaction Party Nominee, to furnish such other information as may reasonably be required by the Trust to determine the eligibility of such proposed nominee to serve as an independent trustee of the Trust or that could be material to a reasonable Trust Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (k) Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in respect of the nomination or appointment of Trustees.

Meetings and Resolutions of Trust Unitholders

The Trust may, but is not required, except as required by law or Exchange policies, to hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis. The Trustees may call special meetings of the Trust Unitholders at any time and from time to time and for any purpose.

Trust Unitholders may attend and vote at all meetings of the Trust Unitholders either in person or by proxy and a proxyholder need not be a Trust Unitholder. At any meeting of the Trust Unitholders, a quorum consists of two or more individuals present in person either holding personally or representing by proxy not less in aggregate than 5% of the votes attached to the total of the Trust Units then outstanding and entitled to vote at the meeting.

Issuance of Trust Units and Ownership Limitations

The Trust may issue new Trust Units from time to time. Trust Unitholders do not have any pre-emptive rights whereby additional Trust Units proposed to be issued are first offered to existing Trust Unitholders. New Trust Units may be issued for cash through public offerings, through rights offerings to existing Trust Unitholders (*i.e.*, in which Trust Unitholders receive rights to subscribe for new Trust Units in proportion to their existing holdings of the Trust Units) or through private placements (*i.e.*, offerings to specific investors which are not made generally available to the public or existing Trust Unitholders). The Trust may also issue new Trust Units as consideration for the acquisition of new

properties or assets by it (to the extent permitted) or its subsidiaries. The Trustees, in their sole discretion, will determine the price or the value of the consideration for which Trust Units may be issued.

In order for the Trust to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, the Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units on and the Trust has informed its Transfer Agent and registrar of this restriction. The Trustees may require a registered holder of Trust Units to provide them with a declaration as to the jurisdictions in which beneficial owners of Trust Units registered in such holder's name are resident and as to whether such beneficial owner is Non-Resident (and, in the case of a partnership, whether the partnership is Non-Resident). If the Trustees become aware, as a result of such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 49% of the Trust Units are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Trust Units from, or issue or register a transfer of Trust Units to, a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Trust Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units are held by Non-Residents, the Trustees may send or cause to be sent a notice to such Non-Resident Trust Unitholders chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not more than 30 days. If the Trust Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such persons sell or cause to be sold such Trust Units and, in the interim, will suspend the voting and distribution rights attached to such Trust Units. Upon such sale, the affected holders will cease to be holders of the relevant Trust Units and their rights will be limited to receiving the net proceeds of sale. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

Unless otherwise determined by the Trustees in accordance with the Declaration of Trust no Person, other than as permitted by the Trustees pursuant to the terms of the Declaration of Trust, shall own, directly or indirectly, beneficially or constructively, Trust Units in excess of such number of Trust Units determined or established by the Trustees.

Until such date determined by the Trustees in accordance with the Declaration of Trust, each Person that, directly or indirectly, beneficially or constructively, owns Trust Units shall, on demand, provide to the Trust in writing such information as the Trust may request in order to determine the effect the limitations on ownership set out in the Declaration of Trust and to ensure compliance with any limitations on the ownership of Trust Units and other restrictions set forth in the Declaration of Trust, and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

Redemption of Trust Units by Trust Unitholders

Trust Units will not initially be redeemable at the option of the Trust Unitholder. The Trustees may, by resolution, cause the Trust Units to be redeemable at the option of the Trust Unitholder and thereby convert the Trust to an Open Ended Trust. It is anticipated that such a resolution will be passed immediately prior to the Trust undertaking a Qualifying Transaction. **In the event the Trust does not complete a Qualifying Transaction, the Trust Units will not be redeemable.** After such resolution has been passed, upon receipt by the Trust of the notice to redeem Trust Units in accordance with the Declaration of Trust, the holder of the Trust Units tendered for redemption shall be

entitled to receive a price per Trust Unit (for the purpose of this section, the “**Redemption Price**”) equal to the lesser of:

- (a) 90% of the “market price” per Trust Unit on the principal unit exchange on which the Trust Units are listed (or, if the Trust Units are not listed on any such exchange, on the principal market on which the Trust Units are quoted for trading) during the period of the last ten trading days immediately prior to the date on which the Trust Units were tendered for redemption; and
- (b) the “closing market price” on the principal unit exchange on which the Trust Units are listed (or, if the Trust Units are not listed on any such exchange, on the principal market on which the Trust Units are quoted for trading) on the date that the Trust Units were tendered for redemption.

For the purposes of the above:

- (a) the “**market price**” shall be, for a specified day, an amount equal to the simple average of the closing price of the Trust Units for each of the ten trading days immediately prior to the specified day on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Trust Units traded on a particular day, the market price shall be an amount equal to the simple average of the highest and lowest prices for that trading day if there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the ten trading days, the market price shall be the simple average of the following prices established for each of the ten trading days: the average of the bid and ask prices for each day on which there was no trading; the weighted average trading price of the Trust Units for each day that there was trading if the exchange or market provides a weighted average trading price; and the average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day.
- (b) the “**closing market price**” shall be: (i) an amount equal to the closing price of the Trust Units if there was a trade on the date on which the Trust Units were tendered for redemption and the exchange or market on which they are traded provides a closing price; (ii) an amount equal to the average of the highest and lowest prices of Trust Units on the date on which the Trust Units were tendered for redemption if there was trading and the exchange or other market on which they are traded provides only the highest and lowest trading prices of Trust Units traded on a particular day; or (iii) the average of the last bid and ask prices on the date if there was no trading on the date.

Trust Units will not be redeemable at the option of the Trust Unitholder if:

- (i) the total amount payable by the Trust in respect of the redemption of Trust Units tendered for redemption in the same quarter exceeds \$50,000 (the “**Quarterly Limit**”); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month. Trust Units tendered for redemption in any quarter in which the total amount payable by the Trust pursuant to the Declaration of Trust exceeds the Quarterly Limit will be redeemed for cash on a pro-rata basis up to the Quarterly Limit and, unless any applicable regulatory approvals are required, by a distribution *in specie* pursuant to the Declaration of Trust, on a pro-rata basis, for the balance; or
- (ii) after the Trust Units have been listed for trading on any unit exchange, the normal trading of the Trust Units is suspended or halted on any such unit exchange either: (i) on the date that

such Trust Units were tendered to the Trust for redemption; or (ii) for more than five trading days during the 10-day trading period prior to the date on which such Trust Units were tendered for redemption.

Purchase for Cancellation

The Trust may from time to time purchase for cancellation some or all of the Trust Units (or other securities of the Trust which may be issued and outstanding from time to time) in the market (if any), by private agreement or upon any recognized unit exchange on which such Trust Units are traded or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Trust Units, provided in each case that the Trustees have determined that such purchases are in the best interests of the Trust (including, but not limited to, maintaining the Trust's foreign private issuer status), and are completed in accordance with applicable law (including applicable securities laws).

Notices to Trust Unitholders and Trustees

The Declaration of Trust provides that any notice or other document required to be given or sent to Trust Unitholders under the Declaration of Trust is to be given or sent through ordinary post addressed to each registered holder at his or her last address appearing on the Trust Unitholder register or in any other manner from time to time permitted by applicable law including Internet-based or other electronic communications; provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by personal service or by Internet-based or other electronic communication (provided it is done in accordance with applicable law) or by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the Trust Unitholder register or a branch register is maintained. Any notice so given is deemed to have been given:

- (a) on the day following that on which the letter or circular was posted;
- (b) in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers;
- (c) in the case of notice given by Internet-based or other electronic communication, on the later of
 - (i) the business day following the day on which such notice is sent or made available; and
 - (ii) the earliest time and date permissible under applicable governing Internet-based or other electronic communications.

In proving notice was posted, it is sufficient to prove that such letter or circular was properly addressed, stamped and posted.

In addition, the Declaration of Trust provides that any written notice or written communication given to the Trustees is to be given at the head office of the Trust or, if the Trust has appointed and retained a transfer agent, such notice is to be addressed to the Trustees c/o the transfer agent with a copy to the head office of the Trust, and (in any case) is deemed to have been given on the date of delivery or, if mailed, five days from the date of mailing. If any such notice or communication has been mailed and if regular mail service is interrupted by strikes or other irregularities, such notice or communication is deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service is interrupted any notice or other communication is given by personal delivery or by fax or other prepaid, transmitted or recorded communication.

Further, the Declaration of Trust provides that the failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Trust Unitholder any notice provided for Declaration of Trust does not affect the validity, effect or taking effect of any action referred to in such notice, and the Trustees are not liable to any Trust Unitholder for any such failure. As well, service of a notice or document on any one of several joint holders of Trust Units is deemed effective service on the other joint holders. Any notice or document sent by post to or left at the address of a Trust Unitholder pursuant to the Declaration of Trust is, notwithstanding the death or bankruptcy of such Trust Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, deemed to have been fully served and such service is deemed sufficient service on all persons having an interest in the Trust Units concerned.

Amendments to the Declaration of Trust

The Declaration of Trust contains provisions that allow it to be amended or altered from time to time by the Trustees with the consent of the Trust Unitholders by a special resolution of the Trust Unitholders. However, the Trustees, at their discretion and without the approval of the Trust Unitholders, are entitled to make certain amendments to the Declaration of Trust, including amendments:

- (a) prior to, or concurrently with, the effective time of the Qualifying Transaction for any purpose; or
- (b) at any time for the purpose of:
 - i. ensuring continuing compliance with applicable law, regulations or policies of any governing authority having jurisdiction over the Trustees, the Trust or Trust Unitholders;
 - ii. providing additional protection or added benefits for the Trust Unitholders;
 - iii. providing for the creation and issue of additional classes or series of Trust Units;
 - iv. removing any conflicts or inconsistencies in this Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Trust Unitholders;
 - v. changing the situs of, or the laws governing, the Trust which, in the opinion of the Trustees, is desirable in order to provide Trust Unitholders (if any) with the benefit of any legislation limiting their liability provided that such change does not introduce a material disadvantage to the Trust Unitholders (if any) that did not exist prior to such change;
 - vi. making additions, deletions, amendments, modifications, variations or changes that, in the Trustees' opinion, are necessary or desirable as a result of changes in taxation laws or policies of any governing authority having jurisdiction over the Trustees, the Trust or the Trust Unitholders;
 - vii. which are necessary or desirable: (i) to ensure continuing compliance with IFRS; or (ii) to ensure the Units are classified as equity for purposes of IFRS;
 - viii. which are necessary or desirable for the Trust to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to prevent the Trust or any of its subsidiaries from becoming subject to SIFT tax;
 - ix. ensuring that the Trust qualifies or continues to qualify as a "mutual fund trust" under the Tax Act;

- x. for the purposes of an amendment to give effect to a change to the investment guidelines or appointment of Trustees, as set out in the Declaration of Trust; or
- xi. for any purpose (except one in respect of which a Trust Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Trust Unitholders and is necessary or desirable.

Without limiting the foregoing, in conjunction with the Completion of a Qualifying Transaction, the Trustees may amend the Declaration of Trust to change or adopt any such other name of the Trust as the Trustees deem appropriate.

Fiscal Year End

The Trust's financial year-end is December 31.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Trust from the sale of the Trust Units offered by this prospectus will be \$400,000. The gross proceeds received by the Trust from the sale of Trust Units prior to the date of this prospectus were \$500,000. From the aggregate gross proceeds of \$900,000, the Agent's Commission of \$40,000 and the expenses and costs of this Offering, including legal, accounting, printing and regulatory fees of the Trust, the Corporate Finance Fee, and the Agent's legal fees and other expenses estimated in the aggregate to be approximately \$150,000 will be deducted. Following the completion of the Offering, it is estimated that the Trust will have \$750,000 available to it.

The following indicates the principal uses for which the Trust proposes to use the total funds available to the Trust upon the completion of this Offering:

Item	Total Offering
Gross cash proceeds raised prior to this Offering (Seed Units) ⁽¹⁾	\$500,000
Less: expenses and costs relating to raising Seed Unit proceeds	(Nil) ⁽²⁾
Gross cash proceeds to be raised pursuant to this Offering	\$400,000
Less: estimated expenses and costs relating to the Offering ⁽³⁾	(\$150,000)
Estimated funds available on completion of this Offering ⁽⁴⁾	\$750,000
Funds available for identifying and evaluating assets or business prospects ⁽⁵⁾	\$750,000
Less: estimated general and administrative expenses until Completion of a Qualifying Transaction	(\$50,000)
Total Net Proceeds	\$700,000

Notes:

- (1) See "Prior Sales".
- (2) No costs have been allocated towards the issuance of these Trust Units. See the Trust's balance sheet as at December 31, 2017.
- (3) Includes listing and filing fees, the Agent's Commission, the Corporate Finance Fee, the Agent's legal fees and other disbursements and expenses, and the Trust's legal fees, audit fees, printing and other expenses.
- (4) In the event, and to the extent, the Agent exercises the Agent's Warrants or the Trustees, officers or consultants exercise the Trustees' and Officers' Options, there will be available to the Trust a maximum of an additional \$153,750 which will be added to the working capital of the Trust. There is no assurance that the foregoing options will be exercised.

- (5) In the event that the Trust enters into an Agreement in Principle prior to spending the entire \$700,000 on identifying and evaluating property, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Trust's purposes, the proceeds will only be invested in Permitted Investments.

The proceeds from this Offering and any prior sale of Trust Units, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Trust may commit.

Permitted Use of the Trust

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "*Use of Proceeds – Restrictions on Use of Proceeds*", "*Use of Proceeds – Private Placements for Cash*" and "*Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties*", the gross proceeds realized from the sale of all securities issued by the Trust will be used by the Trust only to hold Permitted Investments and to identify and evaluate businesses or assets and obtain unitholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

- (i) valuations or appraisals;
- (ii) business plans;
- (iii) feasibility studies and technical assessments;
- (iv) sponsorship reports;
- (v) engineering or geological reports;
- (vi) financial statements, including audited financial statements;
- (vii) fees for legal and accounting services; and
- (viii) Agent's fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm's Length Qualifying Transaction, the obtaining of unitholder approval for the Trust's proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange and after the conversion of the Trust to an Open Ended Trust (if required), up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Trust to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange but, if required, after the conversion of the Trust to an Open Ended Trust.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Trust or \$210,000, will be used for purposes other than those described above. For greater certainty, expenditures which are not included as "*Permitted Use of the Trust*", listed above, include:

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities, (including legal, transfer agent, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Trust, including:
 - (i) office supplies, office rent and related utilities;
 - (ii) printing costs (including the printing of this prospectus and unit certificates);
 - (iii) equipment leases; and
 - (iv) fees for legal advice and audit expenses, other than those described above under "*Permitted Use of Funds*".

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Trust will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Trust where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such a private placement will be Trust Units. Subject to certain limited exceptions, any Trust Units issued pursuant to the private placement to Non Arm's Length Parties to the Trust and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

Except as described under "*Options to Purchase Securities*" and "*Use of Proceeds – Restrictions on Use of Proceeds*", the Trust has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Trust or a Non Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or trustees' fees, finders' fees, loans, advances and bonuses; and
- (b) deposits and similar payments.

Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Trust may reimburse a Non Arm's Length Party to the Trust for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a Promoter of the Trust or in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Trust Units), and the Trust may also reimburse a Non Arm's Length Party to the Trust for reasonable out-of-pocket expenses incurred in pursuing the undertakings of the trust described in "*Use of Proceeds – Permitted Use of Funds*".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and Persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement dated March 29, 2018, between the Trust and the Agent, the Trust has appointed Haywood Securities Inc. as its agent to offer for sale to the public on a "commercially reasonable efforts" basis to the public 4,000,000 Trust Units at a price of \$0.10 per Trust Unit for aggregate gross proceeds of \$400,000, subject to the terms and conditions in the Agency Agreement. The Agent and its designated sub-agent, if any, will receive in the aggregate a commission of 10% of the aggregate gross proceeds from the sale of the Trust Units pursuant to the Offering. In addition, the Trust shall pay to the Agent a Corporate Finance Fee of \$12,500 (plus applicable taxes). The Trust will also reimburse the Agent for its reasonable expenses relating to the Offering, including fees and disbursements for the Agent's legal counsel toward which a deposit of \$12,000 (plus applicable taxes) has already been paid.

The Trust has also agreed to grant to the Agent and its designated sub-agents, if any, the non-transferable Agent's Warrants which entitle the Agent to purchase Trust Units representing 10% of the total number of Trust Units issued pursuant to the Offering at an exercise price of \$0.10 per Trust Unit and which may be exercised for a period of 24 months from the Closing Date. The Agent's Warrants are qualified under this prospectus for distribution. Not more than 50% of the aggregate number of Trust Units which can be acquired on the exercise of the entire Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Trust Units offered hereunder on behalf of the Trust and may make co-brokerage arrangements with other investment dealers at no additional cost to the Trust. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering

The total Offering is for 4,000,000 Trust Units at a price of \$0.10 per Trust Unit for total gross proceeds of \$400,000. Under the CPC Policy, no purchaser of Trust Units is permitted to, directly or indirectly, purchase more than 2% or 80,000 of the total number of Trust Units in the Offering. In addition, the maximum number of Trust Units that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of the purchaser, is 4% or 160,000 Trust Units of the total number of Trust Units in the Offering. The funds received from the Offering will be deposited with the Agent, and will not be released until the Offering has closed. The total subscription must be raised within 90 days of the date a receipt for the final prospectus is issued, or such other time as may be consented to by the Agent and Persons or Companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities Being Distributed

The Trust also proposes to grant the Trustees' and Officers' Options at the closing of the Offering in accordance with the policies of the Exchange. The grant of all of the Trustees' and Officers' Options is qualified for distribution pursuant to this prospectus. The Trustees' and Officers' Options entitle the holders to purchase an aggregate of 1,137,500 Trust Units at a price of \$0.10 per Trust Unit and such options may be exercised for a period of five years from the date of grant. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

Determination of Price

The offering price of the Trust Units hereunder was determined by negotiation between the Trust and the Agent.

Listing of the Trust Units

The Trust has applied to list its Trust Units on the Exchange. Listing will be subject to the Trust fulfilling all the listing requirements of the Exchange.

Subscriptions by the Agent

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Trust Units offered under this Prospectus; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Trust Units offered under this Prospectus. Any Trust Units issued to any member of the Aggregate Pro Group prior to the date of this Prospectus are being held in escrow pursuant to CPC Policy.

The Agent has advised the Trust that to the best of its knowledge and belief, none of its Trustees, officers, employees or contractors or any Associate or Affiliate of the Agent have subscribed for Trust Units of the Trust other than set out below. The following persons are members of the Aggregate Pro Group and have subscribed for Trust Units in the following amounts:

Until Completion of the Qualifying Transaction, the aggregate number of Trust Units permitted to be owned directly or indirectly by the Aggregate Pro Group, including participants referred to above, is 20% of the issued and outstanding Trust Units exclusive of Trust Units reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 "Filing Requirements and Continuous Disclosure". Such participants are permitted to subscribe for Trust Units pursuant to this Offering subject to (i) compliance with any applicable client priority rule, and (ii) the restrictions applicable to all purchasers to the Offering described under "*Plan of Distribution – Offering*".

Restrictions on Trading

Other than the Initial Public Offering of the Trust Units pursuant to this prospectus, the grant of the Agent's Warrants and the grant of the Trustees' and Officers' Options, no securities of the Trust will be permitted to be issued during the period between the date that the receipt for the preliminary prospectus was issued by the securities commission that is designated the principal regulator pursuant to MI 11-102 and the time the Trust Units are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF UNIT CAPITAL

The material terms of the Trust Units are summarized below. Other rights, privileges, restrictions, conditions and characteristics attaching to each Trust Unit are contained in the Declaration of Trust. See “*Declaration of Trust*”.

Prospective purchasers of Trust Units are advised that any description of the Trust Units in this prospectus is a summary only of the material terms of those Trust Units and remains subject to the Declaration of Trust. Prospective purchasers of Trust Units are advised to review the Declaration of Trust and the Trust Unit provisions in detail with their own legal, tax and investment advisors.

The Declaration of Trust governs the rights and obligations of the Trust Unitholders and the Trustees. The following is a summary of certain material provisions of the Declaration of Trust. **This summary does not purport to be complete and reference should be to the Declaration of Trust itself, a copy of which is available from the Trust.**

The Trust is authorized to issue an unlimited number of Trust Units, each of which has the following limitations, rights, privileges, restrictions and conditions:

Except as otherwise expressly provided in this Declaration of Trust, each Trust Unitholder has the right to receive notice of and to attend any meetings of Trust Unitholders and to one vote for each Trust Unit held by such Trust Unitholder. Subject to the Declaration of Trust and subject to any preferences established in favour of holders of other classes of units of the Trust, the right, privilege, restriction or condition of the Trust Unitholder to a proportionate share of:

- (a) all allocations to Trust Unitholders made in accordance with the terms of the Declaration of Trust;
- (b) all advances or distributions to Trust Unitholders of cash or other property and any other advances or distributions of a similar nature made in accordance with the Declaration of Trust; and
- (c) the remaining assets of the Trust on dissolution in accordance with the terms of the Declaration of Trust.

No Trust Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust.

Trust Units will not initially be redeemable at the option of the Trust Unitholder. The Trustees may, by resolution, cause the Trust Units to be redeemable at the option of the Trust Unitholder and thereby convert the Trust to an Open Ended Trust. It is anticipated that such a resolution will be passed immediately prior to the Trust undertaking a Qualifying Transaction. **In the event the Trust does not complete a Qualifying Transaction, the Trust Units will not be redeemable.** After such resolution has been passed, upon receipt by the Trust of the notice to redeem Trust Units in accordance with the Declaration of Trust, the holder of the Trust Units tendered for redemption shall be entitled to receive a Redemption Price equal to the lesser of:

- (a) 90% of the “market price” per Trust Unit on the principal unit exchange on which the Trust Units are listed (or, if the Trust Units are not listed on any such exchange, on the principal market on which the Trust Units are quoted for trading) during the period of the last ten trading days immediately prior to the date on which the Trust Units were tendered for redemption; and
- (b) the “closing market price” on the principal unit exchange on which the Trust Units are listed (or, if the Trust Units are not listed on any such exchange, on the principal market on which the Trust Units are quoted for trading) on the date that the Trust Units were tendered for redemption.

See “*Declaration of Trust – Redemption of Trust Units by Trust Unitholders*”.

Outstanding Trust Units may be subdivided or consolidated from time to time by the Trustees without Trust Unitholder approval. Trust Units are to be fully paid and non-assessable when issued.

Trust Unitholders are not shareholders and do not enjoy the rights and privileges generally offered to shareholders of a corporation incorporated under corporate law, which in the Province of Alberta is the *Business Corporations Act* (Alberta) (the “**ABCA**”). Although the Declaration of Trust confers upon a Trust Unitholder some of the same protections, rights and remedies that an investor would have as a voting shareholder of a corporation governed by the ABCA, significant differences do exist.

Many of the provisions of the ABCA respecting the governance and management of a corporation have been incorporated in the Declaration of Trust. For example, Trust Unitholders are entitled to exercise voting rights in certain circumstances in respect of their holdings of Trust Units in a manner comparable to voting shareholders of an ABCA corporation. The Declaration of Trust also includes provisions modeled after comparable provisions of the ABCA dealing with the calling and holding of meetings of Trust Unitholders and the right of Trust Unitholders to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. The matters in respect of which Trust Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Trust’s subsidiary entities. Certain Trust Unitholder approval rights may be supplemented by provisions of applicable securities laws.

The Declaration of Trust contains conflict of interest provisions, similar to those contained in the ABCA, that require the Trustees and officers of the Trust to disclose to the Trust any interest in a material contract or transaction or proposed material contract or transaction with the Trust or the fact that such individual is a director or officer or employee of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust. In any case, a Trustee or officer of the Trust who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to: (i) his, her or its remuneration as a Trustee, officer, employee or agent of the Trust, as applicable; (ii) insurance or indemnity; or (iii) a contract or transaction with an affiliate of the Trust.

Unless granted by a court in respect of an arrangement or other court-approved transaction, Trust Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (i) the business or businesses that the corporation can carry on; or (ii) the issue, transfer or ownership of shares. As an alternative, but only following certain events, Trust Unitholders seeking to terminate their investment in the Trust are entitled to receive, subject to certain conditions and limitations, an amount in respect of their investment in Trust Units, through the exercise of the redemption rights provided by the Declaration of Trust. However, Trust Unitholders have a right to dissent under the Declaration of Trust in respect of an arrangement (described below).

Trust Unitholders do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an ABCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Trust Unitholders could rely only on the general provisions of the Declaration of Trust, which permit the termination and dissolution of the Trust with the approval of a special resolution of the Trust Unitholders. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its

affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right of Trust Unitholders to commence or participate in legal proceedings with respect to the Trust.

In addition to the issuance of Trust Units, the Trust may issue an unlimited number of Preferred Units of the Trust (“**Preferred Units**”), issuable in one or more series having the number of Preferred Units comprised in each series and the designation, limitations, rights, privileges, restrictions and conditions attaching to each series of Preferred Units, as determined by the Trustees at any time and from time to time before such issue in accordance with the Declaration of Trust.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of December 31, 2017	Amount Outstanding as of the date hereof ⁽¹⁾	Amount Outstanding After Giving Effect to this Offering ⁽²⁾
Trust Units	Unlimited	\$250,000 (5,000,000 Trust Units)	\$500,000 (10,000,000 Trust Units)	\$900,000 (14,000,000 Trust Units)
Preferred Units, issuable in series	To be determined by Trustees	Nil	Nil	Nil

Notes:

- (1) Since the most recent statement of financial position contained in the prospectus the Trust has issued an additional 500,000 Trust Units at a price of \$0.05 per Trust Unit.
- (2) The Trust has reserved up to a maximum of 400,000 Trust Units pursuant to the Offering at \$0.10 per unit for issuance upon exercise of the Agent’s Warrants, which warrants expire 24 months from the date of listing of the Trust Units. The Trust has reserved up to a maximum of 1,137,500 Trust Units at \$0.10 per unit for issuance upon exercise of the Trustees’ and Officers’ Options to be granted at Closing, which options shall expire five years from the date of grant. See “*Plan of Distribution*” and “*Options to Purchase Securities*” and “*Plan of Distribution*”.

OPTIONS TO PURCHASE SECURITIES

The Trust has adopted an incentive unit option plan (the “**Option Plan**”) which provides that the Trustees of the Trust may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to trustees, officers, employees and consultants to the Trust, non-transferable options to purchase Trust Units, provided that the number of Trust Units reserved for issuance will not exceed 10% of the issued and outstanding Trust Units. However, other than in connection with a Qualifying Transaction, during the time that the Trust is a CPC, the aggregate number of Trust Units issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Trust Units of the Trust issued and outstanding at the closing of the Trust’s initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant. In connection with the foregoing, the number of Trust Units reserved for issuance to: (i) any individual will not exceed 5% of the issued and outstanding Trust Units; and (ii) all consultants will not exceed 2% of the issued and outstanding Trust Units. In addition, the Option Plan provides that no more than 5% of the issued units of the Trust will be granted to any individual in any 12 month period unless the Trust has obtained disinterested unitholder approval in respect of such grant and meets applicable Exchange requirements; no more than 2% of the issued units of the Trust will be granted to any one consultant in any 12 month period; and no more than an aggregate of 2% of the issued unit of the Trust will be granted to an employee conducting investor relations activities in any 12 month period. As required by the CPC Policy, the Trust, as long as it is a CPC, will not grant options to any person providing investor relations activities, promotional or market-making services. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Trust, provided that if the cessation of office, employment, trusteeship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year

after such death, subject to the expiry date of such option. Any Trust Units acquired pursuant to the exercise of options under the Option Plan prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “*Escrowed Securities*”.

Pursuant to the Option Plan, immediately after closing this Offering, the Trustees of the Trust intends to grant the Trustees’ and Officers’ Options as follows:

Optionee	Number of Trust Units Under Option	Exercise Price per Trust Unit	Expiry Date
Sean Nakamoto	262,500	\$0.10	five years from the date of grant
Mohammed Atiq Nakrawala	262,500	\$0.10	five years from the date of grant
Andrew Shapack	262,500	\$0.10	five years from the date of grant
Jonathan Wolch	175,000	\$0.10	five years from the date of grant
David Luu	175,000	\$0.10	five years from the date of grant
Total	1,137,500		

Pursuant to the terms of the Agency Agreement, upon closing this Offering, the Trustees of the Trust intend to grant the Agent’s Warrants to the Agent and its designated sub-agents, if any.

Optionee	Number of Trust Units Reserved Under Option	Exercise Price	Expiry Date
Haywood Securities Inc.	400,000	\$0.10	24 months from Closing Date

The Trustees’ and Officers’ Options are to be granted immediately after the Closing Date, and the Agent’s Warrants (subject to regulatory approval) are all qualified for distribution pursuant to this prospectus.

PRIOR SALES

Since the date of formation of the Trust, 10,000,000 Trust Units have been issued as follows:

Date	Number of Trust Units⁽¹⁾	Issue Price Per Unit	Aggregate Issue Price	Consideration Received
December 29, 2017	5,000,000	\$0.05	\$250,000	Cash
February 7, 2018	2,550,000	\$0.05	\$127,500	Cash
February 12, 2018	2,450,000	\$0.05	\$122,500	Cash
TOTAL	10,000,000		\$500,000.00	

Note:

(1) These Trust Units will be held in escrow. See “*Escrowed Securities*”.

ESCROWED SECURITIES

All of the 10,000,000 Trust Units which were issued prior to this Offering at a price below \$0.10 per Trust Unit, and all Trust Units that may be acquired by Non Arm's Length Parties of the Trust either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Trust Units acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Transfer Agent under the Escrow Agreement.

All Trust Units acquired on exercise of unit options prior to the Completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Trust Units acquired in the secondary market prior to the Completion of a Qualifying Transaction by any Person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Trust held by Principals of the Resulting Issuer will also be escrowed.

Notwithstanding the foregoing, Trust Units acquired by Principals of the Trust or Principals of the Resulting Issuer pursuant to a private placement will not be subject to escrow provided that various conditions, as set forth in the CPC Policy, are met. See "*Escrowed Securities - Escrowed Securities on Private Placement*".

The following table sets out, as at the date hereof, the number of Trust Units which will be held in escrow.

Name and Municipality of Residence of Unitholder	Number of Escrowed Trust Units	Percentage of Trust Units Prior to Giving Effect to the Offering	Percentage of Trust Units After Giving Effect to the Offering ⁽¹⁾
Datum Laramide Holdings ULC ⁽²⁾ , Toronto, ON	2,450,000	24.50%	17.50%
Arctero Ikigai Corp. ⁽²⁾ Oakville, ON	2,450,000	24.50%	17.50%
2612447 Ontario Inc. ⁽³⁾ , Windsor, ON	2,450,000	24.50%	17.50%
Muhammad Aref Tarakji, Jeddah, KSA	2,450,000	24.50%	17.50%
David Luu Toronto, ON	100,000	1.0%	0.71%
Jonathan Wolch Toronto, ON	100,000	1.0%	0.71%

Notes:

- (1) Assuming no Trust Units are purchased by these Persons under the Offering.
- (2) Datum Laramide Holdings ULC is wholly owned by Andrew Shapack, a Trustee and Promoter of the Trust, Arctero Ikigai Corp. is wholly owned by Sean Nakamoto, a Trustee, officer and Promoter of the Trust.
- (3) 2612447 Ontario Inc. is wholly owned by Mohammed Atiq Nakrawala, a Trustee of the Trust.

Where the Trust Units which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could

reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the units of that company.

Under the Escrow Agreement, 10% of the escrowed Trust Units will be released from escrow on the issuance of the Final Exchange Bulletin (the “**Initial Release**”) and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

If the Resulting Issuer meets the Exchange’s Tier 1 Initial Listing Requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Trust Units will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 Issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange’s prior consent must be obtained before a transfer within escrow of escrowed Trust Units. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Trust Units will not be released. Under the Escrow Agreement, each Non Arm’s Length Party to the Trust who holds escrowed Trust Units acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Transfer Agent to immediately:

- (a) cancel all of those escrowed Trust Units upon the issuance by the Exchange of a bulletin delisting the Trust Units; or
- (b) if the Trust lists on NEX, either:
 - (i) cancel all Seed Units purchased by Non Arm’s Length Parties to the Trust at a discount from the IPO price, in accordance with section 11.2(a) of the CPC Policy, or
 - (ii) subject to majority unitholder approval, cancel an amount of the Seed Units purchased by Non Arm’s Length Parties to the Trust so that the average cost of the remaining Seed Units is at least equal to the IPO price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are “value securities”, then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the “**Value Security Escrow Agreement**”). Value Securities are securities issued pursuant to a transaction for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a “**Surplus Security Escrow Agreement**”).

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter until the date which is 36 months after the

Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3 year release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Escrowed Securities on Private Placement

Securities issued pursuant to a private placement to Principals of the Trust and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Trust or the proposed Resulting Issuer;
 - (ii) if subscribers, other than Principals of the Trust or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period; and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL UNITHOLDERS

The following table lists those Persons who own 10% or more of the issued and outstanding Trust Units as at the date hereof:

Name and Municipality of Residence of Unitholder	Type of Ownership	Number of Trust Units:	Percentage of Trust Units Prior to Giving Effect to the Offering	Percentage of Trust Units After Giving Effect to the Offering ⁽¹⁾	Fully Diluted Basis ⁽²⁾
Andrew Shapack ⁽³⁾ , <i>Toronto, ON</i>	Of record and Beneficial	2,450,000	24.50%	17.50%	17.46%
Sean Nakamoto ⁽³⁾ , <i>Oakville, ON</i>	Of record and Beneficial	2,450,000	24.50%	17.50%	17.46%
Mohammed Atiq Nakrawala ⁽³⁾ , <i>Windsor, ON</i>	Of record and Beneficial	2,450,000	24.50%	17.50%	17.46%
Muhammad Aref Tarakji, <i>Jeddah, KSA</i>	Of record and Beneficial	2,450,000	24.50%	17.50%	15.77%

Notes:

- (1) Assuming no Trust Units are purchased by any of the principal unitholders under the Offering.
- (2) On a fully diluted basis, assuming the exercise of all of the Agents' Warrants and all of the Trustees' and Officers' Options.
- (3) Andrew Shapack holds his Trust Units in his holding company Datum Laramide Holdings ULC, Sean Nakamoto holds his Trust Units in his holding company Arctero Ikigai Corp. and Mohammed Atiq Nakrawala holds his Trust units in his holding company 2612447 Ontario Inc.

TRUSTEES, OFFICERS AND PROMOTERS

Name, Municipality, Occupation, Security Holdings and Involvement with Other Reporting Issuers

The following is a list of the current Trustees, officers and Promoters of the Trust, their municipalities of residence, their current positions with the Trust, and the number of units of the Trust, beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name and Municipality of Residence of Unitholder	Positions and Offices Held	Number of Trust Units Held	Percentage of Trust Units Prior to Giving Effect to the Offering	Percentage of Trust Units After Giving Effect to the Offering
Sean Nakamoto <i>Oakville, ON</i>	Chief Executive Officer, Trustee, Promoter	2,450,000	24.50%	17.50%
David Luu <i>Toronto, ON</i>	Chief Financial Officer, Secretary of the Trust	100,000	1.0%	0.71%
Mohammed Atiq Nakrawala ⁽¹⁾ <i>Windsor, ON</i>	Trustee	2,450,000	24.50%	17.50%
Andrew Shapack ⁽¹⁾ , <i>Toronto, ON</i>	Trustee and Promoter	2,450,000	24.50%	17.50%
Jonathan Wolch ⁽¹⁾ <i>Toronto, ON</i>	Trustee	100,000	1.0%	0.71%

Notes:

- (1) Member of the Audit Committee.

In addition to any other requirements of the Exchange, the Exchange expects management of the Trust to meet a high management standard. The Trustees and officers of the Trust believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset. Each of the officers and Trustees will devote the time considered necessary to perform the work required in connection with the management and direction of the Trust and Completion of the Qualifying Transaction. As a group, the Trustees and officers of the Trust own 7,550,000 Trust Units, being approximately 54% of the issued and outstanding Trust Units after giving effect to the Offering.

Sean Nakamoto – Oakville, Ontario – Trustee and Chief Executive Officer

Mr. Nakamoto (age 46) is currently a Trustee and the Co-President of Mohawk Medical Properties Real Estate Investment Trust (“Mohawk REIT”), a private medical office building REIT and has held this position since the formation of the REIT on May 1, 2015. Mr. Nakamoto is also a Trustee and Chairman of Governance of Maplewood International REIT, a position he has held since October 2012. Mr. Nakamoto served as the Chief Financial Officer of GT Canada Medical Properties Real Estate Investment Trust (“GT”) from March 12, 2010 to June 30, 2011 and its Senior Vice President of Acquisitions, where he was involved in its formation from a capital pool company through its qualifying transaction and subsequent conversion to a TSXV-listed REIT. While at GT, he acquired and financed a portfolio of 12 medical office buildings across Ontario. Prior to joining GT, Mr. Nakamoto served as the Chief Financial Officer of Cirrus Consulting Group, one of Canada’s leading medical real estate consulting companies. At Cirrus, he was responsible for strategic direction alongside the Chief Executive Officer, accounting, risk management, corporate banking/financing, real estate development consulting and primary care model billing analysis. Prior to this, Mr. Nakamoto served as Vice President of Acquisitions & Finance at Northwest Healthcare Properties, where he was responsible for corporate strategy, corporate finance, reporting and real estate acquisitions and finance. He was directly involved in the acquisition and financing of over 40 medical office buildings and sourcing and executing corporate credit facilities. Prior to his employment at NorthWest Healthcare Properties, Mr. Nakamoto spent five years as an investment banking professional in the TD Securities Real Estate Group, where he was involved in raising in excess of \$4 billion in corporate debt financings as well as being involved in public real estate equity offerings, private placements, formation of a commercial mortgage backed securities program, several high profile real estate M&A mandates and commercial real estate dispositions.

Mr. Nakamoto will devote the time necessary to perform the work required in connection with the management of the Trust and completion of the Qualifying Transaction.

David Luu – Toronto, Ontario – Chief Financial Officer and Corporate Secretary

Mr. Luu (age 37) is currently the Director of Finance and Accounting and the Corporate Accounting Manager of Mohawk Medical Management Corp., the manager of Mohawk REIT. Mr. Luu graduated from the University of Toronto with a Degree in Economics.

Mr. Luu will devote the time necessary to perform the work required in connection with the management of the Trust and completion of the Qualifying Transaction.

Mohammed Atiq Nakrawala – Windsor, ON – Trustee

Mohammed Atiq Nakrawala (age 38) is currently the President and CEO of Scene 7 Advisors, a private investment company. Prior to this role, Mr. Nakrawala was a Senior Associate at ICD (Islamic Corporation for the Development of the Private Sector). His educational background is a Bachelor of Science in Business Administration from Wayne State University and a Masters of Business Administration (MBA) from IE Business School in Madrid, Spain.

Mr. Nakrawala will devote the time necessary to perform the work required in connection with the management of the Trust and completion of the Qualifying Transaction.

Andrew Shapack – Toronto, ON – Promoter

Andrew Shapack (age 46) serves as a Trustee and Co-President of Mohawk REIT and has held this position since the formation of the REIT on May 1, 2015. Formerly, Mr. Shapack served as the Principal and Managing Director of Geneva-Cathay Holdings, Corp and founded GT. Mr. Shapack served as the Chief Executive Officer of GT from August 2008 to May 31, 2012. Mr. Shapack also served as the Chief Executive Officer of NorthWest International Healthcare Properties Real Estate Investment Trust. Mr. Shapack served as a Director of Land Acquisitions at Silverman Development Company since 2002. Prior to serving as a Director of Land Acquisitions, Mr. Shapack practiced law at Paul, Hastings, Janofsky & Walker LLP in New York City in their Real Estate Finance Department. He was an associate in the Real Estate Finance Department in the New York City offices of law firm Paul, Hastings, Janofsky & Walker LLP. Mr. Shapack participated in large and complex transactions involving REIT and UPREIT structures, joint venture/preferred equity positions, opportunistic acquisitions of real property, entity level investments, as well as various high-yield debt instruments. Mr. Shapack has also served as an Associate of PricewaterhouseCoopers in their Real Estate Securitization and Capital Markets Group. Mr. Shapack is admitted to the New York and Connecticut Bar. He holds a B.A in Economics from the University of Wisconsin and law degree (Juris Doctor) from Catholic University.

Mr. Shapack will devote the time necessary to perform the work required in connection with the management of the Trust and Completion of the Qualifying Transaction.

Jonathan Wolch – Toronto, ON – Trustee

Jonathan Wolch (age 52) has been Corporate Secretary of Newstrike Resources Ltd. since 2017. Mr. Wolch served as Corporate Secretary of Hemosol Inc. He has served as an officer and senior executive for TSX, TSX Venture and NASDAQ-listed companies in the telecommunications, technology, environmental engineering, real estate and healthcare sectors with a career that spans over twenty years. As a business advisor, he has played a central role in the successful execution of numerous debt and equity financings, takes-over bids, complex restructurings and "turnaround" situations, M&A activity, tax-loss sales, listings by way of the TSX Venture Exchange Capital Pool Companies Program, reverse take-overs and initial public offerings. From 2006 to 2010, he divided his time between his business activity in Canada and Eastern Europe, where he founded and built a successful telecommunications business with mobile-carrier clients in Russia, Ukraine, Belarus and Kyrgyzstan. Mr. Wolch was a founding instructor for the TSX Venture Exchange's program to educate directors and management teams of newly-listed companies about the requirements and challenges of becoming a reporting issuer from its launch since 2002 until 2007. He holds a BA-Specialist degree in Political Philosophy from the University of Toronto and an LLB from Osgoode Hall Law School.

Mr. Wolch will devote the time necessary to perform the work required in connection with the management of the Trust and Completion of the Qualifying Transaction.

Other Reporting Issuer Experience

The following table sets out the Trustees, officers and Promoters of the Trust that are, or have been within the last five years, trustees, officers or Promoters of other Issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of Trustee, Officer or Promoter	Name of Reporting Issuer	Exchange or Market	Position	Term
Sean Nakamoto	GT Canada Medical Properties REIT	TSXV	CFO	March 2010 – July 2011
	Maplewood International REIT	TSXV	Trustee	October 2012 – present
Jonathan Wolch	Hemosol Corp	TSX, NASDAQ	Corporate Secretary	November 2003 – May 2006
	Newstrike Resources Ltd.	TSXV	Corporate Secretary	May 2017 - Present
Andrew Shapack	GT Canada Medical Properties REIT	TSXV	CEO	August 2008 – May 2012
	One REIT	TSX	Trustee	July 2014 – July 2017

Committees

The Trust currently has one committee, the Audit Committee, which consists of three Trustees:

Andrew Shapack
Jonathan Wolch; and
Mohammed Atiq Nakrawala

The members of the Audit Committee are financially literate, as defined by National Instrument 52-110 – *Audit Committees*. It is anticipated that two additional committees will be struck in the future: a Compensation Committee and a Corporate Governance Committee.

Corporate Cease Trade Orders or Bankruptcies

No Trustee, officer, Insider or Promoter or a unitholder holding a sufficient number of securities of the Trust to affect materially the control of the Trust is, or within ten years before the date of the prospectus, has been, a trustee, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a 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 trustee appointed to hold its assets.

Penalties or Sanctions

No Trustee, officer, Insider or Promoter of the Trust, or a unitholder of the Trust, holding a sufficient number of securities of the Trust to affect materially the control of the Trust, 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No Trustee, officer, Insider or Promoter of the Trust, or a unitholder of the Trust holding a sufficient number of securities of the Trust to affect materially the control of the Trust, or a personal holding company of any such persons has, within the 10 years preceding the date of this prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or has instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are potential conflicts of interest to which the trustees, officers, Insiders and Promoters of the Trust may be subject in connection with the operations of the Trust. All of the Trustees, officers, Insiders and Promoters are engaged in and will continue to be engaged in companies or businesses, including publicly traded corporation, which may be in competition with the search by the Trust for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the trustees, officers, Insiders and Promoters will be in direct competition with the Trust. Conflicts, if any, will be subject to the procedures and remedies as provided under the Declaration of Trust.

Executive Compensation

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Trust to a Non Arm's Length Party to the Trust or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Trust or any Resulting Issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or trustees' fees;
 - (iv) finder's fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

However, the Trust may reimburse Non Arm's Length Parties for the Trust's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"). There have been no reimbursements since the formation of the Trust. No reimbursement may be made for any payment made to lease or buy a vehicle.

The Trustees, officers and consultants of the Trust will also be granted the Trustees' and Officers' Options. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

Following Completion of the Qualifying Transaction, it is anticipated that the Trust shall pay compensation to its officers. However, no payment other than the Permitted Reimbursements, will be made by the Trust or by any party on

behalf of the Trust, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

PROMOTERS

Andrew Shapack and Sean Nakamoto may be considered to be the Promoters of the Trust in that they took initiative in founding and organizing the Trust. See “*Prior Sales*” and “*Principal Shareholders*”.

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

In the opinion of Dentons Canada LLP, counsel to the Trust, (“**Counsel**”) the following is a fair summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable as of the date hereof to a person who acquires, as beneficial owner, Trust Units pursuant to this Prospectus and who, for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) and at all relevant times: (i) is or is deemed to be resident in Canada; (ii) deals at arm’s length with the Trust; (iii) is not affiliated with the Trust; and (iv) holds the Trust Units as capital property (a “**Holder**”).

Trust Units will generally be considered to be capital property unless the Holder acquires or holds the Trust Units in the course of carrying on a business or is engaged in an adventure in the nature of trade with respect to the Trust Units. Certain Holders (other than certain traders or dealers in securities) who are resident in Canada for the purposes of the Tax Act and whose Trust 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 Trust Units (provided that the Trust 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. Holders contemplating making such an election should first consult with their own tax advisors.

This summary is not applicable to a Holder: (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 Trust 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 Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of the Trust Units acquired pursuant to this Prospectus. In addition, this summary does not address the deductibility of interest by a purchaser who has borrowed money to acquire Trust 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 Trust. 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 Trust 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 Holder. Accordingly, each investor should obtain independent advice regarding the income tax consequences of investing in Trust Units with reference to the investor's particular circumstances.

Status of the Trust

This summary assumes that the Trust will, at all times, qualify as a "mutual fund trust" for the purposes of the Tax Act and that the Trust 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 Trust intends to ensure that it will meet the requirements necessary for it to qualify as a mutual fund trust for the purposes of the Tax Act no later than the closing of the Offering and at all times thereafter, whether as an Open Ended Trust or a Closed Ended Trust, and to file the necessary election pursuant to subsection 132(6.1) of the Tax Act so that the Trust will qualify as a mutual fund trust throughout its first taxation year. To qualify as a mutual fund trust, the Trust must be a "unit trust" as defined by the Tax Act, must not be established or maintained primarily for the benefit of Non-Residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or real right in an immovable); and (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property or of any immovable or real right in immovables) that is capital property of the Trust; or (iii) any combination of the activities described in (i) and (ii), and the Trust must comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Trust Units.

If the Trust were to not qualify as a mutual fund trust at any particular time, the tax considerations for the Trust and Holders could, in some respects, be materially and adversely different from those contained herein.

The SIFT Rules

This summary is also based on the assumption that the Trust 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 Trust intends to meet the requirements to not be a SIFT Trust on the basis that the Trust qualifies, and will continue to qualify at all relevant times as a "real estate investment trust", as defined in the Tax Act (the "**REIT Exception**").

If the Trust were a SIFT Trust, certain rules would apply that would effectively tax certain income of the Trust 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 as defined in subsection 122.1(1) of the Tax Act; and (c) net taxable capital gains from its disposition of non-portfolio properties. Non-portfolio properties include: (a) certain investments in real properties situated in Canada; (b) certain properties used in the course of carrying on a business in Canada; and (c) securities of certain Canadian corporations, partnerships and trusts; and (d) securities of certain other entities which derive their principal source of income from Canada. 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 Holder 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 the Trust will qualify for the REIT Exception at all times and, accordingly, will not be a SIFT Trust. However, there can be no assurance that subsequent investments or activities undertaken by the Trust, including any Qualifying Transaction, will not result in the Trust becoming a SIFT Trust subject to the SIFT Rules.

Taxation of the Trust

The Trust 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 Trust Unitholders and which is deducted by the Trust in computing its income for the purposes of the Tax Act. An amount will be considered to be payable to a Trust Unitholder in a taxation year if it is paid in the year by the Trust or such Trust Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Trust is December 31 of each year.

In computing its income, the Trust 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 Trust Units generally may be deducted by the Trust on a five-year, straight-line basis.

Counsel has been advised that the Trust’s current intention is to make payable to Holders each year sufficient amounts such that the Trust 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 Trust will not adopt a different approach, having particular regard to the nature of any future Qualifying Transaction.

Taxation of Unitholders

Trust Distributions

A Holder will generally be required to include in computing the Holder’s income for a particular taxation year, as income from property, the portion of the net income of the Trust, including taxable dividends and net realized taxable capital gains, that is paid or payable to the Holder in that taxation year, whether that amount is paid or payable in cash, additional Trust Units, Trust assets or otherwise. Accordingly, a Holder’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 Holder. Any loss of the Trust cannot be allocated to or treated as a loss to a Holder.

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

After completing a Qualifying Transaction, the Trust may be in receipt of income from foreign sources, generally in the form of interest and dividends received in respect of securities of foreign corporations directly or indirectly held by the Trust. Generally, the gross amount of income, including dividends from foreign sources, allocated to a Holder will be included in the Holder’s income. However, any such dividends will not be subject to the gross-up and dividend tax credit rules of the Tax Act that ordinarily apply to dividends received from corporations resident in Canada. Generally, a Holder will be entitled to the benefit, if any, of any foreign tax credit referable to certain foreign-source income of the Trust distributed to the Holder.

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

Purchases of Trust Units

A Holder who purchases Trust Units during a particular taxation year of the Trust may become taxable on a portion of the net income of the Trust that is accrued or realized by the Trust in a period before the time the Trust Unit was purchased but which was not paid or made payable to Trust Unitholders until the end of the period and after the time the Trust 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 Trust in a year before the time the Trust Unit was purchased but which is paid or made payable by the Trust at year end and after the time the Trust Unit was purchased by the Holder.

Disposition of Trust Units

On the disposition or deemed disposition of Trust Units, a Holder will generally realize a capital gain (or a capital loss) equal to the amount by which the Holder's proceeds of disposition (excluding any amount payable by the Trust which represents an amount that must otherwise be included in the Holder's income as described herein, including any capital gain or income realized by the Trust in connection with the redemption which the Trust has designated to a redeeming Holder) are greater (or less) than the aggregate of the Holder's adjusted cost base of the Trust Units and any reasonable costs incurred by the Holder 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 Trust Unit to a Holder will include all amounts paid or payable by the Holder for the Trust Unit, with certain adjustments provided for under the Tax Act. Trust Units issued to a Holder 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 Holder will generally be required to average the cost of all newly acquired Trust Units with the adjusted cost base of Trust Units held by the Holder as capital property in order to determine the adjusted cost base of the Holder's Trust Units at any particular time. The adjusted cost base of Trust Units disposed of is based on such average calculation immediately prior to the distribution.

Where the Trust redeems Trust Units by distributing Redemption Notes or other property of the Trust to a Holder, the Holder will also be required to include in income any income, and the taxable portion of any capital gain, that the Trust realizes on or in connection with such *in specie* distribution of Redemption Notes or other property and designates to such Holder. The proceeds of disposition to the redeeming Holder will be equal to the fair market value of the Redemption Notes or other property of the Trust so distributed, less any income or capital gain realized by the Trust in connection with such redemption to the extent the Trust designates such income or capital gain to the redeeming Holder. The cost of any Redemption Notes or other property distributed *in specie* by the Trust to a Holder upon the redemption of Trust Units will be equal to the fair market value of that property at the time of distribution. The Holder will thereafter be required to include in income interest or other income derived from the Redemption Notes or other property in accordance with the provisions of the Tax Act.

The consolidation of Trust Units will not result in a disposition of Trust Units by Holders. The aggregate adjusted cost base to a Holder of all of the Holder's Trust Units will not change as a result of a consolidation of Trust Units, although the adjusted cost base per Trust Unit will increase.

Capital Gains and Capital Losses

A Holder must include in income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by the Holder on a disposition or deemed disposition of a Trust Unit in the year, and the amount of any net taxable capital gains designated by the Trust to the Holder in the year. The Holder generally must deduct one-half of the amount of any capital loss ("**allowable capital loss**") realized by the Holder in a taxation year on the disposition or deemed disposition of a Trust Unit against the Holder's taxable capital gains for the year. Allowable capital losses in excess of taxable capital gains realized by the Holder 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 Holder that is a corporation or a trust (other than a mutual fund trust) on the disposition of a Trust Unit may be reduced by the amount of any dividend that the Trust receives and designates to the Holder, except to the extent that a loss on a previous disposition of a Trust Unit has been reduced by such amount. Holders to whom these rules may be relevant should consult their own tax advisors.

Refundable Tax

A Holder which is a Canadian-controlled private corporation (as defined in the Tax Act) will be subject to a refundable tax of 10 2/3% in respect of its aggregate investment income for the year, which may include certain income and capital gains distributed to the Holder by the Trust and any capital gains realized on a disposition of Trust Units.

Minimum Tax

A Holder 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 Trust Units and net income of the Trust paid or payable, or deemed to be paid or payable, to the Holder and that is designated as taxable dividends or net taxable capital gains.

Eligibility for Investment

Provided that on the Closing Date: (i) the Trust qualifies as a "mutual fund trust" for the purposes of the Tax Act or (ii) the Trust Units are listed on a "designated stock exchange" as defined in the Tax Act (which includes Tiers 1 and 2 of the Exchange), the Trust Units will be, on the Closing Date, a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account (each, a "**Deferred Plan**" and collectively, "**Deferred Plans**") or a deferred profit sharing plan (each Deferred Plan and deferred profit sharing plan collectively, "**Exempt Plans**"), all as defined under the Tax Act and the Tax Regulations.

Notwithstanding the foregoing, if the Trust Units are a "prohibited investment" as defined in the Tax Act, the holder of, annuitant under, or subscriber of a Deferred Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of the Trust Units held in the Deferred Plan. The Trust Units will generally not be prohibited investments for a Deferred Plan unless the Controlling Individual does not deal at arm's length with the Trust for purposes of the Tax Act, or the Controlling Individual has a "significant interest" in the Trust (within the meaning of the Tax Act). In addition, the Trust Units will not be a "prohibited investment" if such Trust Units are "excluded property" (as defined in the Tax Act)

for the Deferred Plan. Controlling Individuals should consult their own tax advisors regarding whether Trust 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 Trust Units may not be a qualified investment for Exempt Plans, which may give rise to adverse tax consequences to an Exempt Plan or the holder, annuitant, subscriber or beneficiary thereunder. Trust Unitholders should consult their own tax advisors in this regard.

DILUTION

Purchasers of Trust Units under this prospectus will suffer an immediate dilution of \$0.04 per Trust Unit or 40%. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Trust, as set forth below:

Item	Total Offering
Gross proceeds of prior Trust Unit issues	\$500,000
Gross proceeds of this Offering	\$400,000
Total gross proceeds after this Offering	\$900,000
Offering price per Trust Unit	\$0.10
Proceeds per Trust Unit after this Offering	\$0.06
Dilution per Trust Unit to subscriber	\$0.04
Percentage of dilution in relation to Offering price	40%

RISK FACTORS

Investment in the Trust Units must be regarded as highly speculative due to the proposed nature of the Trust's activities and its present stage of development. The following are risk factors associated with the Trust:

- (a) the Trust was only recently formed, has not commenced any commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay distributions until at least after Completion of the Qualifying Transaction;
- (b) the status of the Trust as a trust is useful only for certain types of transactions and may limit the ability of the Trust to complete a Qualifying Transaction;
- (c) If it is necessary to convert the Trust to a different legal structure, such as a corporation or limited partnership, the Trust may incur costs in respect of that conversion as well as possible tax or other financial consequences;
- (d) investment in the Trust Units offered by this prospectus is highly speculative given the proposed nature of the Trust's activities and its present stage of development;
- (e) the Trustees and officers of the Trust will only devote a portion of their time to the undertakings and affairs of the Trust and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "*Trustees, Officers and Promoter - Conflicts of Interest*";

- (f) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 40% or \$0.04 per Trust Unit. See “*Dilution*”;
- (g) there can be no assurance that an active and liquid market for the Trust’s Trust Units will develop and an investor may find it difficult to resell its Trust Units;
- (h) redemption rights under the Declaration of Trust are restricted and provide limited opportunity for Investors to liquidate their investment in Trust Units. In particular, Trust Units will not be redeemable unless the Trust completes a Qualifying Transaction, and are generally redeemable at discount to the market price of the Trust Units;
- (i) until Completion of a Qualifying Transaction, the Trust is not permitted to carry on any activities other than holding Permitted Investments and the identification and evaluation of potential Qualifying Transactions;
- (j) the Trust has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Trust will be able to identify a suitable Qualifying Transaction, or that such qualifying transaction will be in the real estate sector;
- (k) even if a proposed Qualifying Transaction is identified, there can be no assurance that such Qualifying Transaction will be in the real estate sector or that the Trust will be able to successfully complete the transaction;
- (l) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm’s Length Qualifying Transaction, Majority of the Minority Approval;
- (m) unless the Trust Unitholder has the right to dissent and be paid fair value in accordance with applicable law, a unitholder who votes against a proposed Non Arm’s Length Qualifying Transaction for which Majority of the Minority Approval by unitholders has been given, will have no rights of dissent and no entitlement to payment by the Trust of fair value for the Trust Units;
- (n) upon public announcement of a proposed Qualifying Transaction, trading in the Trust Units will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Trust Units will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Trust completing the proposed Qualifying Transaction;
- (o) trading in the Trust Units may be halted at other times for other reasons, including for failure by the Trust to submit documents to the Exchange in the time periods required;
- (p) the Exchange will generally suspend trading in the Trust’s Trust Units or delist the Trust in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date;
- (q) as there is no guarantee that the Trust Units will be listed on the Exchange at the time of issuance, that the Trust will be a “mutual fund trust” or will not be a “SIFT trust” at any particular time, in which case the Trust Units may not be a qualified investment for an Exempt Plan as specified in “Eligibility for Investment” and the tax consequences of holding Trust Units may, in some respects, be materially and adversely different than discussed in “Principal Canadian Federal Income Tax Considerations”;

- (r) no advance tax ruling has been obtained in respect of the Trust, and thus the Canada Revenue Agency of the Government of Canada could disagree with the filing positions taken by the Trust from time to time;
- (s) there can be no assurance that income tax laws applicable to the Trust, including the treatment of real estate investment trusts and mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the Trust or the Trust Unitholders. Any such changes could have a negative effect on the value of the Trust Units;
- (t) the Trust may acquire foreign assets through the Qualifying Transaction or otherwise, in which case the Trust and Trust Unitholders may be subject to foreign taxes, for which a Canadian foreign tax credit may be limited or not available;
- (u) if the Trust completes a Qualifying Transaction which includes the acquisition of properties located in the United States, there may be U.S. tax consequences as a result of Completing such Qualifying Transaction;
- (v) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (w) the Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Trust and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Trust; and
- (x) subject to prior acceptance by the Exchange, the Trust may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring unitholder approval and there can be no assurance that the Trust will be able to recover that loan.

The Trust has yet to enter into an Agreement in Principle in respect of a potential Qualifying Transaction; however the Trust currently intends to pursue a Qualifying Transaction in the real estate investment sector, which may give rise to the following risk factors:

- (a) there is no assurance that the operations of any real property that may be acquired by the Trust as part of a Qualifying Transaction, if completed, will be profitable or that cash from such operations will be available to make distributions to Trust Unitholders;
- (b) due to changing trends in the design of the types of properties that may be acquired by the Trust as part of a Qualifying Transaction, if completed, it is possible that such properties will be less desirable than other properties, which could lead to a loss in value of real estate assets held, directly or indirectly, by the Trust;
- (c) the Trust, upon Completing a Qualifying Transaction, if at all, may not be able to compete with other investors, managers and owners of other properties in the same market. Such other properties may also have additional capital available to them or may be able to accept more risk than the Trust may be able to manage, which could result in a loss of income from, or value of, real estate assets held, directly or indirectly, by the Trust;
- (d) real estate investments are relatively illiquid, with the degree of liquidity fluctuating in relation to depend for and the perceived desirability of such investments. Such illiquidity may limit the Trust's

ability, if real estate property is acquired as part of a Qualifying Transaction, if completed, to vary its portfolio or properties promptly in response to changing economic, investment or other conditions;

- (e) laws provide that owners of real estate properties could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment and/or affecting persons, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties or at third-party sites, at which wastes were sent for disposal. It is possible that real estate assets acquired by the Trust, directly or indirectly, as part of a Qualifying Transaction, if completed, could give rise to environmental liabilities and could significantly increase operating and other costs of the Trust in respect of such properties, and may result in a loss of income from, or value of, such real estate assets held, directly or indirectly, if any, by the Trust;
- (f) it is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting real estate that may be acquired by the Trust, directly or indirectly, if any. Any changes in the laws to which real estate properties acquired by the Trust, if any, is subject could materially adversely affect the Trust's rights and title to such properties and may have a significant effect on the value of any investment in the Trust; and
- (g) if the actual costs of maintaining or upgrading property which may be acquired by the Trust, directly or indirectly, if any, as part of a Qualifying Transaction exceeds estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if the Trust is not permitted to raise rents due to legal constraints, the Trust will incur additional and unexpected costs and/or lower revenues.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Trust and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Trust Units.

LEGAL PROCEEDINGS

The Trust is not currently a party to any legal proceedings, nor is the Trust currently contemplating any legal proceedings, which are material to its activities. Management of the Trust is currently not aware of any legal proceedings contemplated against the Trust.

RELATIONSHIP BETWEEN THE TRUST AND THE AGENT

The Trust is not a related or connected party (as such terms are defined in National Instrument 33-105 Underwriting Conflicts) to the Agent.

RELATIONSHIP BETWEEN THE TRUST AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Dentons Canada LLP on behalf of the Trust and by Peterson McVicar LLP on behalf of the Agent.

Other than as set forth herein no Person whose profession or business gives authority to a statement made by such Person and who is named in this prospectus has received or shall receive a direct or indirect beneficial interest in the securities or property of the Trust or any Associate or Affiliate of the Trust. In addition, other than as set forth above, none of the aforementioned Persons nor any trustee, officer or employee of any of the aforementioned Persons, is or

is expected to be elected, appointed or employed as a trustee, senior officer or employee of the Trust or of an Associate or Affiliate of the Trust, or a Promoter of the Trust or of an Associate or Affiliate of the Trust.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Trust is KPMG, at Toronto, Ontario. Such firm is independent of the Trust in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Trust's Trust Units is TSX Trust Company located at 300-5th Avenue SW, Calgary, AB T2P 3C4.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Certain Trustees, Promoters and officers of the Trust have acquired Trust Units of the Trust. In addition, each of the Trustees and officers of the Trust will be granted Trustee's and Officers' Options. Except as disclosed elsewhere herein, none of the Trustees, officers or principal unitholders of the Trust, and no Associate or Affiliate of any of them, has or had any material interest in any transaction that materially affects the Trust. See "*Principal Unitholders*" and "*Options to Purchase Securities*".

MATERIAL CONTRACTS

The Trust has not entered into any contracts material to investors in the Trust Units hereunder within the two years prior to the date hereof, other than the following:

1. Agency Agreement dated as of March 29, 2018 between the Trust and the Agent.
2. Escrow Agreement dated as of March 29, 2018 among the Trust, the Transfer Agent and those unitholders that executed such agreement.
3. Transfer Agency Services Agreement dated as of February 5, 2018 between the Trust and the Transfer Agent.
4. Declaration of Trust dated as of December 22, 2017

Copies of these agreements will be available for inspection at the office of Dentons Canada LLP as its registered office located at Bankers Court, 850 – 2nd Street SW Calgary, Alberta, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

DISTRIBUTION POLICY

To date, the Trust has not paid any distributions on its outstanding Trust Units. The future payment of distributions will be dependent upon the financial requirements of the Trust to fund further growth, financial condition of the Trust and other factors which the trustees of the Trust may consider in the circumstances. It is not contemplated that any distributions will be paid in the immediate or foreseeable future.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of Alberta, British Columbia, Ontario, New Brunswick and Nova Scotia provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In certain provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or

damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

DEPOSITORY SERVICES

Except in certain limited circumstances: (i) the Trust Units will be issued and deposited in electronic form and certificates evidencing the Trust Units may not be issued to purchasers; and (ii) purchasers will receive only a customer confirmation from the Agents or other registered dealer from or through whom a beneficial interest in the Trust Units are purchased.

The ability of a beneficial owner of Trust Units to pledge such units or otherwise take action with respect to such owner's interest in such units may be limited due to the lack of a physical certificate.

Financial Statements
(In Canadian dollars)

PINE TRAIL CAPITAL TRUST
(A CAPITAL POOL COMPANY)

For the period from December 22, 2017
(date of formation) to December 31, 2017



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Canada
Tel 416-777-8500
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Pine Trail Capital Trust

We have audited the accompanying financial statements of Pine Trail Capital Trust, which comprise the statement of financial position as at December 31, 2017, the statements of income (loss) and comprehensive income (loss), changes in unitholders' equity and cash flows for the period from December 22, 2017 (date of formation) to December 31, 2017 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pine Trail Capital Trust as at December 31, 2017, and its financial performance and its cash flows for the period from December 22, 2017 (date of formation) to December 31, 2017 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 29, 2018
Toronto, Canada

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Statement of Financial Position
(In Canadian dollars)

As at December 31, 2017

Assets

Cash (note 5)	\$ 250,000
Deposits (note 6)	12,000
Total assets	\$ 262,000

Liabilities and Unitholders' Equity

Liabilities:

Amounts payable to a related party (note 7)	\$ 12,000
Accounts payable and accrued liabilities	5,057
	<u>17,057</u>

Unitholders' equity:

Unitiholder capital (note 8)	250,000
Deficit	(5,057)
	<u>244,943</u>

Subsequent event (note 11)

Total liabilities and unitholders' equity	\$ 262,000
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The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Trustees of the Trust

Trustee

Trustee

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Statement of Income (Loss) and Comprehensive Income (Loss)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

Revenue	\$	–
Expenses:		
Legal fees	\$	5,057
Net income (loss) and comprehensive income (loss)	\$	(5,057)

The accompanying notes are an integral part of these financial statements.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Statement of Changes in Unitholders' Equity (In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

	Unitholders' capital	Deficit	Total
Unitholders' equity, beginning of period	\$ –	\$ –	\$ –
Issuance of trust units (note 8)	250,010	–	250,010
Cancellation of trust units (note 8)	(10)	–	(10)
Net income (loss) and comprehensive income (loss)	–	(5,057)	(5,057)
Unitholders' equity, end of period	\$ 250,000	\$ (5,057)	\$ 244,943

The accompanying notes are an integral part of these financial statements.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Statement of Cash Flows (In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

Cash provided by (used in):

Operating activities:

Net income (loss) and comprehensive income (loss)	\$ (5,057)
Change in non-cash operating items:	
Increase in deposits	(12,000)
Increase in amounts payable to related party	12,000
Increase in accounts payable and accrued liabilities	5,057
Net cash flow from operating activities	-

Financing activities:

Proceeds from issuance of trust units	250,010
Cancellation of trust units	(10)
Net cash flow from financing activities	250,000

Increase in cash, being cash, end of period	\$ 250,000
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The accompanying notes are an integral part of these financial statements.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

1. Incorporation and operations:

Pine Trail Capital Trust (the "Trust") was formed by the Declaration of Trust on December 22, 2017. The Trust will be classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal undertaking of the Trust is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head and registered office of the Trust is located 15th Floor, Bankers Court, 850 - 2nd Street SW in the City of Calgary in the Province of Alberta.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Trust to fund its potential future operations and commitments is dependent upon the ability of the Trust to obtain additional financing.

There is no assurance that the Trust will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Trust's units from trading.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements for the period from December 22, 2017 (date of formation) to December 31, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the period beginning December 22, 2017.

These were authorized for issue in accordance with a resolution of the trustees on March 29, 2018.

(b) Basis of measurement:

These financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

2. Basis of preparation (continued):

(c) Functional and presentation currency:

These financial statement are presented in Canadian dollars, which is the Trust's functional currency.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in note 4.

3. Significant accounting policies:

(a) Cash:

Cash consists of the proceeds generated on the issuance of trust units, which is being held in trust by legal counsel for the Trust.

(b) Unit-based payments:

The Trust applies a fair value based method of accounting to all unit-based payments. Employee and trustee unit options are measured at their fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee unit options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of unit options is presented as unit-based payment expense when applicable. On the exercise of unit options unit capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Trust uses the Black-Scholes option pricing model to estimate the fair value of Unit-based payments.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

3. Significant accounting policies (continued):

(c) Taxes:

It is the current expectation that the Trust will designate, for purposes of the Income Tax Act (Canada), that income earned by the Trust in any taxation year of the Trust shall be paid or made payable to the unitholders pro rata based on their units. As a result, the Trust will not be liable for income tax under the Income Tax Act (Canada).

(d) Non-derivative financial instruments:

Non-derivative financial instruments are recognized when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

(i) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method. The Trust does not have any financial instruments in this category.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

3. Significant accounting policies (continued):

(ii) Financial assets at fair value through profit or loss:

An instrument is measured at fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Trust manages such investments and makes purchase and sale decisions based on their fair value in accordance the Trust's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category.

(iii) Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Amounts payable to a related party and accounts payable and accruals are included in this category.

(e) Impairment of financial assets:

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in profit or loss.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

3. Significant accounting policies (continued):

(f) Accounting standards issued but not yet applied:

The Trust has reviewed new accounting pronouncements that have been issued but are not yet effective, and determined that the following may have a future impact on the Trust.

(i) IFRS 9 Financial Instruments:

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 is effective for annual period beginning on or after January 1, 2018.

(ii) IFRS 15 Revenue from Contracts with Customers:

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers which specifies how and when an entity will recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 is effective for annual period beginning on or after January 1, 2018.

(iii) IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

The Trust is currently assessing and quantifying the effect, if any, of the impact of adoption of these standards.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

4. Significant accounting estimates and assumptions:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

(a) Estimates:

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

(i) Fair value of financial instruments:

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty as and when applicable.

(ii) Classification of Trust units:

In determining whether these should be classified as liabilities or equity, management has assessed whether the Trust units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 Financial Instruments: Presentation which permit classification of a puttable instrument as equity have been satisfied. The Trust units have been determined to be appropriately classified as equity.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

4. Significant accounting estimates and assumptions (continued):

(b) Judgements:

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

(i) Financial instruments:

The Trust is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

(ii) Unit options:

The Trust will record unit-based payments based on management's judgement of the expected exercise date of options which is impacted by the timing of completion of the Qualifying Transaction.

5. Cash:

In accordance with the CPC policy, the gross proceeds raised from the issuance of units may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing units or administrative and general expenses of the Trust. These restrictions may apply until completion of a Qualifying Transaction by the Trust as defined under the policies of the Exchange.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

6. Deposits:

Deposits consists of amounts paid as retainer to an agent for services to be provided for an initial public offering as a Capital Pool Company and listing of trust units on the TSX Venture Exchange.

7. Amounts payable to related party:

Amounts payable to related party consist of amounts paid for deposits (note 6) by an entity related to the Trust by virtue of common management. Amounts payable are non-interest bearing with no fixed repayment terms.

8. Unitholder capital:

Authorized Trust Units:

Unlimited number of Class A units
Unlimited number of preferred units

Issued and outstanding:

5,000,000 Class A units \$ 250,000

In accordance with the declaration of Trust, upon formation, the Trust issued 200 Class A units to the settlor of the Trust in consideration of the initial contribution of \$10.

On December 29, 2017, the Trust issued 5,000,000 Class A units for cash of \$250,000, \$0.05 per unit in connection with its seed capital. The Trust also cancelled 200 Class A units issued by initial contribution and returned the \$10 to the settlor.

The Trustees of the Trust beneficially own, directly or indirectly, or have control or direction over 5,000,000 or 100% of the issued and outstanding trust units of the Trust.

(a) Unit-based payments:

The Trust has adopted an incentive unit option plan which provides that the Trustees of the Trust may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to trustees, officers, employees and consultants to the Trust, non-transferable options to purchase Trust Units, provided that the number of Trust Units reserved for issuance will not exceed 10% of the issued and outstanding Trust Units.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

8. Unitholder capital (continued):

However, other than in connection with a Qualifying Transaction, during the time that the Trust is a CPC, the aggregate number of Trust Units issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Trust Units of the Trust issued and outstanding at the closing of the Trust's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant. No options have been issued under the plan as at December 31, 2017.

(b) Redemption of Trust Units:

Trust Units will not initially be redeemable at the option of the Trust Unitholder. The Trustees may, by resolution, cause the Trust Units to be redeemable at the option of the Trust Unitholder and thereby convert the Trust to an Open Ended Trust. It is anticipated that such a resolution will be passed immediately prior to the Trust undertaking a Qualifying Transaction. In the event the Trust does not complete a Qualifying Transaction, the Trust Units will not be redeemable. After such resolution has been passed, upon receipt by the Trust of the notice to redeem Trust Units in accordance with the Declaration of Trust, the holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (for the purpose of this section, the "Redemption Price") equal to the lesser of:

- (i) 90% of the "market price" per Trust Unit on the principal stock exchange on which the Trust Units are listed (or, if the Trust Units are not listed on any such exchange, on the principal market on which the Trust Units are quoted for trading) during the period of the last ten trading days immediately prior to the date on which the Trust Units were tendered for redemption; and
- (ii) the "closing market price" on the principal stock exchange on which the Trust Units are listed (or, if the Trust Units are not listed on any such exchange, on the principal market on which the Trust Units are quoted for trading) on the date that the Trust Units were tendered for redemption.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

8. Unitholder capital (continued):

For the purposes of the above:

- (i) "Open Ended Trust" means an inter vivos trust the interest of each beneficiary under which is described by reference to units of the trust which qualifies as a "unit trust" under paragraph 108(2)(a) of the Income Tax Act (Canada).
- (ii) the "market price" shall be, for a specified day, an amount equal to the simple average of the closing price of the Trust Units for each of the ten trading days immediately prior to the specified day on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Trust Units traded on a particular day, the market price shall be an amount equal to the simple average of the highest and lowest prices for that trading day if there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the ten trading days, the market price shall be the simple average of the following prices established for each of the ten trading days: the average of the bid and ask prices for each day on which there was no trading; the weighted average trading price of the Trust Units for each day that there was trading if the exchange or market provides a weighted average trading price; and the average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day.
- (iii) the "closing market price" shall be (i) an amount equal to the closing price of the Trust Units if there was a trade on the date on which the Trust Units were tendered for redemption and the exchange or market on which they are traded provides a closing price; (ii) an amount equal to the average of the highest and lowest prices of Trust Units on the date on which the Trust Units were tendered for redemption if there was trading and the exchange or other market on which they are traded provides only the highest and lowest trading prices of Trust Units traded on a particular day; or (iii) the average of the last bid and ask prices on the date if there was no trading on the date.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

8. Unitholder capital (continued):

Trust Units will not be redeemable at the option of the Trust Unitholder if:

- (i) if the total amount payable by the Trust in respect of the redemption of Trust Units tendered for redemption in the same calendar month exceeds \$50,000 (the "Monthly Limit"); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month. Trust Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to the Declaration of Trust exceeds the Monthly Limit will be redeemed for cash on a pro-rata basis up to the Monthly Limit and, unless any applicable regulatory approvals are required, by a distribution in specie pursuant to the Declaration of Trust, on a pro-rata basis, for the balance; or
- (ii) if, after the Trust Units have been listed for trading on any stock exchange, the normal trading of the Trust Units is suspended or halted on any such stock exchange either: (i) on the date that such Trust Units were tendered to the Trust for redemption; or (ii) for more than five trading days during the 10-day trading period prior to the date on which such Trust Units were tendered for redemption.

9. Capital disclosures:

The Trust's capital consists of unitholder capital. The Trust's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Trust sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

9. Capital disclosures (continued):

The Trust's objectives when managing capital are:

- (a) to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- (b) to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Trust is not subject to any externally or internally imposed capital requirements at period end.

10. Financial instruments:

The Trust, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Trust is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value:

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Trust classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

10. Financial instruments (continued):

The fair value of cash is determined on level 1 inputs. The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

(a) Credit risk:

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Trust believes it has no significant credit risk.

(b) Liquidity risk:

The Trust's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

(c) Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Trust has no market risks.

11. Subsequent events:

The Trust issued 2,550,000 Class A units for \$0.05 per unit on February 7, 2018 and additional 2,450,000 units at \$0.05 per unit on February 12, 2018.

The Trust intends to file a prospectus with the securities regulatory authorities in the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia and Ontario, and pursuant to an Agency Agreement (the "Agency Agreement") to be entered into between the Trust and Haywood Securities Inc. (the "Agent"), to offer 4,000,000 Class A units at \$0.10 (the "Offering") per unit to the public for total estimated proceeds of \$400,000 (before transaction costs).

PINE TRAIL CAPITAL TRUST

(A CAPITAL POOL COMPANY)

Notes to Financial Statements (continued)
(In Canadian dollars)

For the period from December 22, 2017 (date of formation) to December 31, 2017

11. Subsequent events (continued):

Pursuant to the Agency Agreement, the Agent will be granted an option to purchase up to 400,000 Class A units equal to 10% offered securities sold at a price of \$0.10 per Agent's unit, and expiring 24 months from the date of the Class A units are listed on the TSX Venture Exchange (the "Exchange"). In addition, and subject to regulatory approval, the Trust also intends to grant Unit Options to purchase an aggregate of 875,000 Class A units to trustees, officers, and consultants under the Trust's Unit option plan, which would be exercisable at \$0.10 per Class A units for a period of 5 years from the date of grant.

The Trust will pay the Agent a cash commission equal to 10% of the gross proceeds of the Offering, a corporate finance fee of \$12,500 and reasonable expenses for which a \$12,000 retainer has been provided. Including the corporate finance fee, Agent's commission, additional professional, listing and filing fees to complete the Offering, cash issue costs are estimated to be \$190,000, including deferred financing costs.

The Trust has entered into an escrow agreement "Escrow Agreement" with an escrow agent on March 29, 2018. The Trust has issued a total of 10,000,000 Class A units at \$0.05 per unit, which are subject to the Escrow Agreement whereby 10% of the Class A units will be released upon completion and approval of the Trust's qualifying transaction. An additional 15% of the escrowed Class A units will be released on each six month anniversary thereafter unless otherwise permitted by the Exchange. Class A units issued upon the exercise of options held by officers and trustees are subject to the same escrow conditions. Class A units issued upon the exercise of the Agent's options are restricted such that only 50% of the issued Class A units on exercise of such options may be sold prior to the Trust completing the qualifying transaction.

CERTIFICATE OF THE TRUST

DATE: March 29, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the Provinces of Alberta, British Columbia, Ontario, New Brunswick and Nova Scotia.

(signed) Sean Nakamoto

Sean Nakamoto
Trustee and Chief Executive Officer

(signed) David Luu

David Luu
Chief Financial Officer and
Secretary of the Trust

ON BEHALF OF THE BOARD OF TRUSTEES

(signed) Jonathan Wolch

Jonathan Wolch
Trustee

(signed) Mohammed Atiq Nakrawala

Mohammed Atiq Nakrawala
Trustee

CERTIFICATE OF THE PROMOTERS

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by securities legislation of the Provinces of Alberta, British Columbia, Ontario, New Brunswick and Nova Scotia.

(signed) Andrew Shapack

Andrew Shapack

(signed) Sean Nakamoto

Sean Nakamoto

CERTIFICATE OF THE AGENT

DATE: March 29, 2018

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by securities legislation of the Provinces of Alberta, British Columbia, Ontario, New Brunswick and Nova Scotia.

Haywood Securities Inc.

By: _____ *(signed) Campbell Becher*
Managing Director