



# Offering Memorandum



Continuous Offering

Dated: May 4, 2021

**OFFERING MEMORANDUM**

The securities described in this Offering Memorandum are offered for sale only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a public offering or advertisement of these securities. No securities commission or similar regulatory authority has passed on the merits of the securities offered hereunder nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence. The securities offered hereunder will be subject to resale restrictions imposed under the securities laws of the jurisdiction province in which they are offered or sold.

The securities offered hereby have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). The holder hereof, by purchasing such securities, agrees for the benefit of the Corporation that such securities may be offered, sold or otherwise transferred only (a) to the Corporation; (b) outside the United States in accordance with Rule 904 of regulations under the U.S. Securities Act or (c) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and, in the case of paragraph (c) or (d), the Fund receives an opinion of counsel of recognized standing in form and substance satisfactory to the Fund to such effect.

**THE ISSUER**

**Name:** NORTHSIDE Mortgage Investment Corporation ("NMIC")

**Head Office:** 80 Carlauren Road  
Suite 23  
Vaughan, ON  
L4L 7Z5

**Telephone:** (647) 494-9953  
**Facsimile:** (647) 797-9921  
**Web:** [www.northsidemic.com](http://www.northsidemic.com)

**THE OFFERING**

**Securities Offered:** 25,000,000 Non-voting Special Shares.

**Price Per Share:** \$1.00 per Share

**Minimum/Maximum Offering:** Minimum offering of \$0/ Maximum offering of \$25,000,000

**Minimum Subscription Amount:** There is a minimum subscription price for these securities if you are an “accredited investor” which amount is \$25,000. If you are not an “accredited investor”, the minimum subscription price is \$150,000.00. Please see Item 5.3. The maximum investment is limited in that any one investor in combination with Special Shares held by his Spouse and minor children may only subscribe for up to 25% of the total number of Special Shares that would be outstanding as of the closing of such transaction, all as determined in the sole discretion of the Manager.

**Payment Terms:** Bank draft or money order payable to the solicitor for NMIC, Anthony O. Maniaci, in Trust, accompanied by Subscription Agreement as more particularly described in Item 5.2, Subscribing for Shares.

**Proposed Closing Dates:** On the 15th of each month or as such other times as determined at the sole discretion of the Manager (as hereinafter defined).

**Tax Consequences:** There are important tax consequences to these securities. See Item 6, Income Tax Consequences.

**Selling Agent:** The Manager, Uptown Mortgage Group Inc., is acting as selling agent on behalf of NMIC. See Item 7.

**Resale Restrictions:** You will be restricted from selling your securities for an indefinite period. See Item 10, Resale Restrictions.

**Purchaser’s Rights:** You have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel your agreement to purchase these securities. See Item 11.

**NO SECURITIES REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8, RISK FACTORS.**

**ITEM 1: USE OF NET PROCEEDS**

1.1 **Net Proceeds** - The net proceeds of the offering and the funds that will be available to NMIC after the offering are as follows:

		Assuming Min. Offering	Assuming Max. Offering
A	Amount to be raised by this offering	\$0	\$25,000,000
B	Selling commissions and fees	\$0	\$1,000,000
C	Estimated offering costs (e.g. legal, accounting, audit)	\$0	\$35,000
D	Net proceeds: $D=A-(B+C)$	\$0	\$23,965,000
E	Current working capital (or working capital deficiency) of Issuer as at January 17, 2017	\$0	\$20,000
F	Available funds: $F=D+E$	\$0	\$23,985,000

1.2 **Use of Available Funds** - NMIC is a “mortgage investment corporation” as this term is defined by Section 130.1 of the Income Tax, Canada. It is anticipated that the funds raised from this offering after expenses will be used for funding new mortgage investments.

1.3 **Reallocation** - We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

**ITEM 2: BUSINESS OF NMIC**

**2.1 Structure** – NMIC is a corporation which was incorporated under the laws of Ontario on January 17, 2017. NMIC may register extra-provincially in the future to conduct business in other Canadian jurisdictions as may be approved by NMIC’s directors.

**2.2 Our Business** – NMIC currently qualifies, and under its Articles of Incorporation is required to remain qualified, as a “mortgage investment corporation”, or a “MIC” as mortgage investment corporations are commonly referred to, under the *Income Tax Act* (Canada) (the “Tax Act”). This effectively enables NMIC to operate as a tax-free “flow through” conduit of profit to its shareholders, since it does not pay income taxes on net earnings at the corporate level from which dividends are paid. This allows holders of Special Shares to receive income from NMIC with maximum tax efficiency.

NMIC’s business objective is to obtain a secure stream of income by optimizing its investment portfolio within the MIC criteria mandated by the Tax Act. These criteria provide, among other things, that one of the primary investments a MIC may make is making mortgage loans that are secured by residential real estate. The Tax Act’s MIC criteria are discussed in further detail below (under this same heading).

NMIC’s primary business is earning income through investing in residential mortgages. There is an established need for real estate mortgage financing that is not readily provided by banks, trust companies, credit unions and other traditional lenders. Short-term mortgage financing is a continuing need of individuals, builders and real estate developers, and, because of their need for flexibility and quick response, they often require the services of private lenders and organizations such as NMIC. NMIC’s primary revenue source has been, and will continue to be, interest payments on residential mortgage investments from borrowers. Residential mortgages may generate additional remuneration for NMIC, including bonuses, due diligence charges, administrative set-up fees and renewal and discharge fees payable by borrowers. The Tax Act’s MIC criteria permit revenue sources other than residential mortgages, including among other things equity investments in real estate, investments in stocks and securities of Canadian companies, and mortgage lending in respect of commercial real estate. Notwithstanding its ability to invest in the array of investments allowed under the Tax Act, it is NMIC’s policy to invest its non-CDIC (short-term bank deposits) holdings in mortgages secured by Canadian real estate property, primarily “residential” real estate property. A MIC’s only permitted undertaking under the Tax Act criteria is the investing of its funds, and it is specifically prohibited from managing or developing real property. The Manager has many years of experience (either itself or through its personnel) in the real estate and mortgage industries as a mortgage broker and investor. These qualifications and this experience puts the Manager in an advantageous position to provide MIC-related management, administrative, advisory, development, realtor, mortgage broker and financing services to NMIC, and NMIC has engaged the Manager to do so. The Manager’s personnel also have wide networks of established relationships with experienced owners, builders, developers and others active in the real estate industry. NMIC believes the Manager is therefore suitably qualified to locate and recommend investment opportunities for NMIC. The Manager has provided these services to NMIC since it began its MIC activities. See Item 2.6, Material Agreements, for a discussion of the management agreement between NMIC and the Manager.

## The Tax Act's MIC Criteria

Section 130.1 of the Tax Act sets out the criteria governing a MIC, and in summary says that in order to qualify as a MIC for a taxation year, a company must have met the following criteria throughout that taxation year:

1. Its only undertaking was the investing of its funds and it did not manage or develop any real property;
2. It did not invest in:
  - a) mortgages or property outside Canada;
  - b) shares of companies not resident in Canada; or
  - c) real property or leasehold interests outside Canada;
3. By the end of a MIC's fiscal period, which for NMIC will be January 17, 2017, a MIC must have at least 20 shareholders, and no one shareholder together with related parties to that shareholder held between them more than 25% of the issued shares of any class of shares of the company;
4. At least 50% of the "cost amount" (within the meaning of the Income Tax Act) of the company's assets must be comprised of:
  - a) loans secured on houses or on property included in a housing project, as those terms are defined in the *National Housing Act (Canada)*\*;
  - b) deposits insured by the Canada Deposit Insurance Corporation ("CDIC") (or Quebec DIC);
  - c) deposits in a credit union; and/or
  - d) cash;
5. No more than 25% of the cost amount of the company's assets consist of real property (excluding any real property acquired by foreclosure);
6. The company did not exceed, generally speaking, a 3:1 debt-equity ratio, or a 5:1 ratio if more than two-thirds of the company's property consists of Residential Mortgages and/or deposits secured by the Canada Deposit Insurance Corporation (or Quebec DIC) or in a credit union.

\*The *National Housing Act (Canada)* provides that: 'house' means a building or movable structure intended for human habitation containing not more than two family housing units, together with the land, if any, on which the building or movable structure is situated; and that "housing project" means a project consisting of one or more houses, one or more multiple-family dwellings, housing accommodation of the hostel or dormitory type, one or more condominium units or any combination thereof, together with any public space, recreational facilities, commercial space and other buildings appropriate to the project, but does not include a hotel."

Section 130.1 of the Income Tax Act authorizes a MIC to borrow funds and leverage its capital in certain ratios related to the type of assets held. Provided one-half of the cost amounts of a MIC's assets comprise a combination of *residential* mortgages and/or CDIC insured investments, the MIC is authorized to borrow up to a maximum of three times the amount of its assets. Provided two-thirds of the cost amounts of a MIC's assets comprise a combination of *residential* mortgages and/or CDIC insured investments, the MIC is authorized to borrow up to a maximum of five times the amount of its assets.

NMIC believes that this leverage opportunity is integral to its dividend performance, and NMIC will maximize its leverage opportunity under the Act. NMIC will borrow funds whenever funds are available provided it is economical and prudent to do so.

As a MIC under the Tax Act, NMIC is entitled to deduct from its income the amount of taxable dividends (other than “capital gains dividends”) and one-half of all “capital gains dividends” (within the meaning of section 130.1 of the Income Tax Act) that it pays to its shareholders. NMIC’s constating documents require it to pay out as dividends substantially all of its net income and net realized capital gains every year, and as a result NMIC anticipates that it will not be liable to pay income tax in any year. As such NMIC operates as a tax-efficient conduit of profit to its shareholders. Refer to Item 6, Income Tax Consequences.

**2.3 Development of Business** – NMIC was incorporated in January 2017. Since that time NMIC has worked towards qualification as a MIC under the Tax Act and has been solely engaged in raising capital for investment in mortgages secured by real estate property located in Ontario, Canada.

The future rate of return NMIC will earn from its mortgage investments will fluctuate with prevailing market demand for short-term mortgage financing. In some cases NMIC’s mortgage investments may not meet financing criteria for conventional mortgages from institutional sources, and as a result these investments generally earn a higher rate of return than that normally attainable from conventional mortgage investments. The Manager attempts to minimize risk by following a strict diversification strategy and being thoroughly prudent in both its credit decisions and in assessing the value of the underlying real property offered as security.

On a Quarterly & Annual basis, the Manager will evaluate the mortgage portfolio and to the extent it is deemed prudent to do so a bonus is paid to either the Management Company or holders of record.

**2.4 Long-Term Objectives** – Over the long-term NMIC intends to maintain its qualification as a MIC, raise investment capital, and invest substantially all its capital in Canadian mortgages, except for small residual amounts of capital maintained in short-term CDIC insured deposits at the bank, awaiting mortgage placement. Over the near future, the director believes that all of the mortgages will be secured by *residential* real estate property in Canada.

**2.5 Short-Term Objectives** – Over the next 12 months, NMIC’s objective is to raise equity capital, invest it pursuant to the Tax Act’s MIC criteria with the intent of optimizing return (as described in more detail above under Items 2.2, 2.3, and 2.4), and continue paying monthly dividends to its shareholders. However, NMIC’s business plan is not dependent on placement of the full amount of this offering. The amount of \$25,000,000 it is simply a target. NMIC anticipates that whatever funds are raised will be sufficient for NMIC to continue implementing its business plan.

**2.6 Material Agreements** – NMIC is currently a party to the following material agreements:

#### **Management Services Agreement**

NMIC and the Manager have entered into a Management Services Agreement dated January 17, 2017, under which the Manager administers NMIC’s business affairs on a day to day basis and provides a business office for and ongoing advice to NMIC.

The Manager and NMIC are “related” companies. Anthony DiNardo controls the Manager (he directly or indirectly holds over 50% of its voting shares) and is a director and President of the Manager. Mr. DiNardo is also the President, a promoter, and a director of NMIC and holds 25% of NMIC’s issued voting shares. Mr. DiNardo is a Mortgage Broker in good standing in Ontario.

NMIC will pay the following monthly management fee to the Manager under the Management Services Agreement calculated as follows:

1. In respect of the Manager’s efforts in marketing NMIC Special Shares, it is paid an annual fee equal to 4.0% of Funds under Management paid quarterly commencing in the month following the first anniversary date of investment and terminating when the shares are redeemed. If an early redemption occurs, some of the commission will be clawed back and the trailer fee will terminate.
2. In consideration for payment of this marketing fee, the Manager is responsible for all amounts it expends on advertising and other marketing expenses to attract new investors to NMIC, as well as any and all operating expenses associated with operation the day-to-day operations of NMIC, and is authorized to enter into arrangements with third party securities brokers and financial advisors to compensate them for their efforts in marketing NMIC Special Shares.

The Management Services Agreement is for an initial term of ten years and is automatically renewable for further terms of five years each after the expiration of the initial term, subject to the provisions for termination. NMIC may only terminate the Management Services Agreement for cause, upon the affirmative vote of a special majority of NMIC’s directors. The Manager may terminate the Management Services Agreement as follows: a) immediately upon the winding up, bankruptcy or receivership of NMIC, or b) upon 120 days-notice to NMIC.

Though NMIC and the Manager expressly agree in the Management Services Agreement that neither the Management Services Agreement nor the relationship between NMIC and the Manager establish the Manager as a fiduciary to NMIC, the Manager has agreed that it will exercise its powers and discharge its duties under the Management Services Agreement honestly, in good faith and in what it reasonably believes to be in the best interests of NMIC.

The Manager will be given reasonable advance notice of (and agendas if available) and has the right to attend and be heard at all meetings of NMIC’s shareholders, NMIC’s board of directors, and any committees established by the board of directors, and the Manager will be provided with copies of the minutes of an any resolutions passed at all such meetings within a reasonable time after the meeting.

NMIC acknowledges in the Management Services Agreement that the Manager and its shareholders, directors and senior officers have, or may acquire, interests and dealings in other companies, joint ventures, limited partnerships and/or MICs which are presently or may in the future be actively engaged in similar businesses as NMIC. NMIC agrees that neither the Manager nor its shareholders, directors or senior officers will be liable to NMIC for any conflict of interest as a result of such other interests or dealings, and that such interests and dealings do not and will not constitute a breach of the Management Services Agreement, even if competitive with the business of NMIC, and even if the business opportunity could have been pursued by NMIC.



The Manager will not be liable to NMIC in respect of any loss or damage suffered by NMIC, including any loss or diminution in the net assets (that is, the value of NMIC's assets less its liabilities) of NMIC, unless such loss or damage is a direct result of gross negligence, gross willful misconduct, or dishonesty by the Manager in relation to its duties and responsibilities under the Management Services Agreement.

The Management Services Agreement also provides that NMIC will indemnify the Manager and its directors, officers and employees from any claims arising in relation to the Manager's duties and responsibilities under the Management Services Agreement.

### **Underwriting Agreement**

In addition, NMIC will be entering into various Underwriting Agreements with Mortgage Brokers/Agents (the "Broker/Agent") to provide exclusive underwriting services for all potential mortgage investment opportunities. The Broker/Agent must be registered Ontario mortgage brokers. In mortgage transactions, all fees associated with the services provided by the Broker/Agent to NMIC are paid by the persons who agree to borrow money from NMIC. For non-mortgage transactions, the Broker/Agents shall be paid a negotiated fee prior to funding.

### **Accounting Agreement**

As a MIC, NMIC will be deemed to be a "public corporation" for income tax purposes by section 130.1 of the Income Tax Act. Being a "public corporation" for tax purposes, NMIC has an agreement with Formusa Zuccaro LLP to prepare the financial results of NMIC for the fiscal period ending December 31. This agreement is effective December 31, 2018. All such financial statements will be included in this document and may be posted on NMIC's web-page as they become available. In the first year, NMIC will be filing Notice to Reader Financial Statements.

**ITEM 3 DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS**

**3.1 Compensation and Securities held** - The following table sets out the specified information about each director, officer, and promoter of NMIC and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of NMIC (a “principal holder”).

Name and municipality of Principal residence	Positions held (e.g., director, officer, and/or promoter and date obtaining position)	Compensation paid by issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of NMIC held after completion of Min. offering	Number, type and percentage of securities of NMIC held after completion of Max. offering
Anthony DiNardo Caledon, ON	Director, President, and Promoter since January 17, 2017	NIL	25 common shares representing 25% of outstanding voting equity;	Same unless further Special Shares are subscribed for
Gino DiNardo Nobleton, ON	Director, Treasurer, Vice-President, and Promoter since January 17, 2017	NIL	25 common shares representing 25% of outstanding voting equity	Same unless further Special Shares are subscribed for
Eugene Sturino Woodbridge, ON	Director, Secretary, and Promoter since January 17, 2017	NIL	10 common shares representing 10% of outstanding voting equity	Same unless further Special Shares are subscribed for
Boguslawka Sanajko Mississauga, ON	Director and Promoter since May 07, 2018	NIL	15 common shares representing 15% of outstanding voting equity	Same unless further Special Shares are subscribed for
Nadia Di Nardo Vaughan, ON	Director and Promoter since March 10, 2021	NIL	25 common shares representing 25% of outstanding voting equity	Same unless further Special Shares are subscribed for

**3.2 Management Experience** - The following table sets out the principal occupations of the directors and executive officers of NMIC over the past five years, and their relevant experience in businesses similar to that of NMIC.

Name	Principal Occupation and related experience
Anthony DiNardo Director	Graduate of the University of Toronto. Involved in the mortgage industry since 2012. Principal Mortgage Broker at Uptown Mortgage Group Inc. Member in good standing with FSRA. Private Lender, and Real Estate Investor
Gino DiNardo Director	Licensed Mortgage Agent specializing in Sub-Prime Mortgages and Commercial Lending. Previously held managerial positions with Various Banks, Trust Companies and Credit Unions. Over 30 years of experience in Management and Mortgage Industry. Member in good standing with FSRA. Private Lender and Real Estate Investor
Eugene Sturino Director	Established real estate professional with Royal LePage Community. Has over 10 years of Real Estate experience specializing in new home sales, raw land, and commercial development Private Lender and Real Estate Investor
Boguslawa Sanajko Director	Vice President at Ledoux, Lew & Patterson Insurance Brokers Limited. Provides insurance services to Family's and Business Owners. Over 25 years of experience in the Financial and Insurance Industries.
Nadia DiNardo Director	Graduate of Ryerson University. Licensed Paralegal with over 10 years of experience. Specialization in litigation and insurance law. Has settled various files with companies in the insurance industry. Private Lender, Real Estate Investor.

**3.3 Penalties, Sanctions and Bankruptcy:** None of the directors or officers of NMIC have had any penalties or sanctions issued against them over the past 10 years, and none have been bankrupt in the last 10 years.

**ITEM 4 CAPITAL STRUCTURE**

4.1 **Share Capital** - The following table sets out information about NMIC's outstanding securities, including any options, warrants and other securities convertible into Shares as of January 17, 2017.

Description of Security	Number authorized to be issued	Number outstanding as at Jan 17, 2017	Number outstanding after minimum offering	Number outstanding after maximum offering
Voting Common Shares	Unlimited	100	100	100
Non-voting Special Shares	Unlimited	NIL	2,396,500	23,965,000

4.2 **Long Term Debt** - NMIC currently has no long term debt.

**ITEM 5 SECURITIES OFFERED**

5.1 *Terms of Securities* - A description of the material terms of the securities being offered, include:

- a) **Voting** - The holders of Special shares are not entitled to notice of or to attend or vote at meetings of the holders of common shares of NMIC.
- b) **(b) Redemption Rights** - The Special Shares have redemption rights, meaning their holders have a right to present all or some of their shares to NMIC for cancellation and payment to such shareholder by NMIC of the retracted shares' Redemption Amount". A Special Share's Redemption Amount" and a Special Share's rights of redemption are defined in the Articles of the Corporation as follows:

"The holders of the issued and outstanding Special Shares,

- c) shall have the right to require the Corporation to redeem all or part of the shares held by such holder at any time subsequent to the date that is EIGHTEEN (18) MONTHS following the date such Special Shares were issued to such holder upon giving the Corporation 120 days-notice in writing delivered to the Corporation's registered head office at a redemption price equal to one hundred percent (100%) of the amount paid upon issuance of such shares, the amount of all dividends declared thereon and unpaid, and the pro-rata amount of the Corporation's retained earnings as determined by the Corporation's auditor computed at the time the notice of redemption was given. Early redemption is permitted upon expiration of 180 days from the date of investment upon payment of the following early redemption fees: notice of redemption is received after 180 days but before the end of the first year: 2.5% of amount redeemed; notice of redemption is received prior to the end of the 2nd year: 2.0% of amount redeemed; notice of redemption is received prior to the end of the third year: 1.5% of amount redeemed;"

The Shareholder's right to retract their Shares is subject to the following discretion vested with NMIC's directors pursuant to the constating documents of NMIC which provide as follows:

"The Directors will use their best efforts to ensure that the Corporation at all relevant time qualifies as a "Mortgage Investment Corporation" pursuant to the *Income Tax Act* (Canada). Without limiting the generality of the foregoing, in addition to any other power and authority the Directors may have, and notwithstanding any other provision of these Articles, the Directors may in their sole discretion reject any applications for stock dividends or shares subscriptions, transfers, redemptions or retractions where in the view of the Directors such transaction would imperil the Corporation's status as a "Mortgage Investment Corporation" under the *Income Tax Act* (Canada). If such discretion is exercised by the directors, there shall be imposed upon them an obligation to take all reasonable steps to allow the proposed transaction to take place as soon as reasonably possible thereafter."

NMIC may only reject a retraction application if the retraction would put NMIC offside of the Tax Act's MIC criteria regarding shareholders, which requires that a MIC have at least 20 shareholders, and no one shareholder together with shares held by that parties spouse and minor children hold between them more than 25% of the issued shares of any class of shares of the MIC. However NMIC is required to honor the request to redeem as soon as reasonably possible if for any reason such additional time is required.

- d) **Dividends** – NMIC’s Articles of Incorporation require it to pay out as dividends substantially all of its net income and net realized capital gains every year to the holders of the Special Shares, subject to the directors’ discretion to establish reserves for NMIC. Dividends will be paid monthly with the appropriate adjustment made to the final dividend payment owing on December 31 of each fiscal year to ensure the net income of NMIC is reduced to NIL. The Articles prevent the payment of dividends to the holder’s of the common shares.
- e) **Pre-emptive Rights** – Except as otherwise required by law, the holders of the Special Shares are not entitled as such to subscribe for, purchase, or receive any part of any issue of shares, bonds, debentures, or other securities of NMIC.
- f) **Liquidation, Dissolution, or Winding up** – In the event of the liquidation, dissolution or winding-up of NMIC, whether voluntary or involuntary, or in the event of any other distribution of assets of NMIC among its shareholders for the purpose of winding-up its affairs, NMIC will distribute the assets of NMIC among the shareholders in the following order or priority:
- i. First, all holders of the Special Shares will receive the return of the paid up capital on their shares. If there are insufficient assets to fully return the paid up capital, the assets will be distributed among all the shareholders pro rata in proportion to their paid capital;
  - ii. Second, any remaining assets will be distributed among the holders of the Special Shares in the same proportions as if it were a dividend distribution, calculated on the basis of the paid-up capital on the books of NMIC prior to the application of paragraph (i).

**5.2 Subscribing Procedure** – Persons wishing to subscribe for Shares under this Offering may do so by completing the following three steps:

- i. **Subscription Forms** – *This Offering Memorandum is for persons who are resident in Canada and live in any of Ontario, Saskatchewan, New Brunswick, Northwest Territories, and Nunavut.* To subscribe for shares, Investors who are resident in these jurisdictions must complete the Subscription Agreement attached hereto as Schedule A, including all Exhibits attached thereto. If you have questions about completing the Subscription Agreement, or if you are not a resident in these jurisdictions but would like to subscribe, please contact the office at (647)494-9953 and we will provide you the appropriate Offering Memorandum for the jurisdiction in which you live.
- ii. **Method for Payment** – A cheque or bank draft in an amount equal to \$1.00 multiplied by the number of Shares being subscribed for must be forwarded to company’s head office in Vaughan made payable to the solicitor for NMIC, Anthony O. Maniaci, In Trust. Mr. Maniaci is a solicitor in good standing in Ontario and is fully insured under the Law Society of Upper Canada’s indemnity fund for all money received in trust.
- iii. **Submitting Subscriptions** – Investors may deliver the completed Subscription Agreement and funds payable to **Anthony O. Maniaci, In Trust** by mail or in person to:

Anthony O. Maniaci  
Barrister & Solicitor  
80 Carlauren Road  
Vaughan, Ontario  
L4L 7Z5

Tel. No: 905-851-3400 x 227  
Fax No.: 905-851-5108  
E-mail: aomaniaci@maniacilaw.com

Your subscription funds will be held in trust for your benefit by Anthony O. Maniaci for 2 days after receipt by the said solicitor. At any time before 11:59 pm on the 2nd day following receipt by said solicitor of your completed Subscription Agreement and funds, you may cancel your subscription by notice in writing sent to the sent to Anthony O. Maniaci by email or fax and your investment will be forthwith returned to you. As a consequence, to be eligible to receive a dividend for the period commencing on the 16th of any particular month and terminating on the 15<sup>th</sup> of the following month, completed Subscription Agreements and funds must be received no later than the close of business on the 13th of that month (or the last business day before if the 13th is a holiday).

- iv. **Acceptance of Subscriptions and Closings** – Subscriptions may be accepted at the sole discretion of the Manager, and are subject to the terms and conditions of the Subscription Agreement signed by the investor. The authority to accept or reject subscriptions has been delegated to the Manager to insure that NMIC remains qualified as a “MIC” as this term is defined by the Tax Act, and to insure that NMIC complies with all other relevant securities laws. If the Manager rejects a subscription on behalf of NMIC, the subscription funds received will be returned to the Investor, without interest or deduction, along with notification of the rejectio

**THIS OFFERING IS NOT SUBJECT TO ANY MINIMUM SUBSCRIPTION LEVEL SAVE AND EXCEPT AS REQUIRED FOR NMIC TO MAINTAIN ITS STATUS AS A “MIC” UNDER CANADIAN INCOME TAX LAW. THEREFORE ANY FUNDS RECEIVED FROM AN INVESTOR ARE AVAILABLE TO NMIC AND NEED NOT BE REFUNDED TO THE INVESTOR SAVE AND EXCEPT AS REQUIRED BY THE CONSTATING DOCUMENTS OF NMIC, THE TERMS OF THIS OFFERING MEMORANDUM, OR AS OTHERWISE REQUIRED BY LAW.**

This Offering may be nullified at the sole discretion of the Manager acting on behalf of NMIC. For example, the Manager might choose to nullify the Offering upon the occurrence of events such as any material adverse to change in the business, personnel or financial condition of NMIC or the Manager. If this Offering is nullified for any reason, the Subscription Agreement and cash funds received by NMIC prior to the nullification will be returned to Investors without interest or deduction as if the Investors’ subscription had been rejected (whether or not the subscription(s) had previously been accepted by NMIC).

A prospective Investor will become a shareholder upon execution of a Subscription Agreement, acceptance of the Subscription Agreement by the Manager acting on behalf of NMIC, payment of the subscription price, and entry of the Investor’s name in the shareholder register of NMIC.

**5.3 Investor Qualifications and Minimum Investment Amount for Residents of Ontario, Saskatchewan, New Brunswick, Northwest Territories, and Nunavut Residents:** If you are a resident of Ontario, Saskatchewan, New Brunswick, Northwest Territories, or Nunavut, the minimum investment if you are an “accredited investor” is \$25,000.00 CDN and the minimum investment if you are not an “accredited investor” is \$150,000.00. If you are subscribing as an “accredited investor”, when you complete the Subscription Agreement attached hereto as Schedule A you must indicate in Exhibit A to this document the grounds upon which you qualify as an “accredited investor”. Under applicable securities law, an “accredited investor” (as defined in NI 45-106) includes:

1. Except in Ontario, a Canadian financial institution, or a Schedule III bank,
2. Except in Ontario, the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada),
3. Except in Ontario, a subsidiary of any person referred to in paragraphs 1 or 2, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
4. Except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an advisor or dealer,
5. an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph 4,
  - 5.1 an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador),
6. except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
7. except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comite de gestion de la taxe scolaire de l'ile de Montreal or an intermunicipal management board in Quebec;
8. except in Ontario, any national, federal, state, provincial, territorial or municipal government or in any foreign jurisdiction, or any agency of that government,
9. except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
10. an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000.00;
  - 10.1 an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,
11. an individual whose net income before taxes exceeded \$200,000.00 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000.00 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
12. an individual who, either alone or with a spouse, has net assets of at least \$5,000,000.00;
13. a person, other than an individual or investment fund, that has net assets of at least \$5,000,000.00 as shown on its most recently prepared financial statements,



14. an investment fund that distributes or has distributed its securities only to,
  - i. a person that is or was an accredited investor at the time of the distribution,
  - ii. a person that acquires or acquired securities in the circumstances referred to in sections 2.10 or 2.19, or
  - iii. a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18;
15. an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt,
16. a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
17. a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction
18. a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
19. an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs 1 to 4 or in paragraph 9 in form and function,
20. a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
21. a person that is recognized or designated by the securities regulatory authority, or, except in Ontario and Quebec, the regulator as,
  - i. an accredited investor, or
  - ii. an exempt purchaser in Alberta or British Columbia after this Regulation comes into force.

## ITEM 6 INCOME TAX CONSEQUENCES

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

6.2 **No application has been made for an advance income tax ruling with respect to the investment described in this Offering Memorandum nor is it intended that any application be made.**

NMIC has prepared the following commentary, which it believes is a fair and adequate summary of the principal federal income tax consequences arising under the Tax Act to an Investor who is an individual resident in Canada who acquires Shares under this Offering Memorandum.

The income tax consequences will not be the same for all investors, but may vary depending on a number of factors including the province or provinces in which the Investor resides or carries on business, whether Shares acquired by him will be characterized as capital property, and the amount his taxable income would be but for his participation in this Offering.

*The following discussion of the Canadian income tax consequences is, therefore, of a general and limited nature only and is not intended to constitute a complete analysis of the income tax consequences and should not be interpreted as legal or tax advice to any particular investor. This summary does not address provincial or territorial laws of Canada or any tax laws of any jurisdiction outside of Canada. Each prospective Investor should obtain advice from his own independent tax advisor as to the Canadian federal and provincial income tax consequences of his acquisition of Shares; as such consequences can vary depending upon the particular circumstances of each investor.*

This summary is based on NMIC's understanding of the current provisions of the Tax Act, the Regulations to the Tax Act, and the current administrative and assessing practices of Canada Revenue Agency, Taxation ("CRA").

This summary outlines the Canadian federal income tax consequences to an Investor based on important facts and assumptions as set out by NMIC in the Offering Memorandum and particularly on additional facts and assumptions as follows:

- a) Investors are, and will not cease to be, individual residents in Canada and who deal at arm's length with NMIC;
- b) Investors acquire Shares pursuant to this Offering Memorandum and hold the Shares as capital property for the purposes of the Income Tax Act;
- c) Investors hold Shares for the purpose of gaining or producing income and have reasonable expectation of earning a profit from holding the Shares;
- d) NMIC will qualify at all material times as a MIC for the purposes of the Tax Act; and
- e) Investors are not, and will not be "financial institutions" within the meaning of the "market to market" rules or be subject to the "tax shelter investment" rules in the Income Tax Act.

It is incumbent upon prospective Investors to fully investigate and substantiate the expectations above and, with respect to the assumption stated in (c) above, it is incumbent on an Investor to investigate and substantiate his expectation of earning a profit from holding Shares, having regard to his expected financing costs and any projections she may wish to obtain from NMIC.

There is no assurance that the Tax Act and related Regulations will not be amended in a manner that fundamentally alters the income tax consequences to Investors who acquire or dispose of Shares. This summary does not take into account any changes in law, whether by way of legislative or judicial action.

There has been no application for an Advance Income Tax Ruling from CRA on any aspect of the transactions proposed in the Offering Memorandum, nor is it intended that such an application will be made. No opinion from NMIC's legal counsel or accountants has been given with respect to these income tax considerations. The analysis contained herein is not all encompassing and should not be construed as specific advice to any particular Investor and is not a substitute for careful tax planning, particularly since certain of the income tax consequences of an investment will not be the same for all taxpayers. Regardless of tax consequences, a decision to purchase the Shares offered should be based primarily on the merits of the investment as such and on an Investors ability to bear any loss that may be incurred.

## **NMIC**

As a MIC, NMIC is subject to special rules under the Tax Act that permit NMIC to be operated, in effect, as a tax free "flow through" conduit of its profit to its shareholders. The income of NMIC for purposes of the Tax Act includes interest earned and the taxable portion of any net realized capital gains. NMIC is permitted to deduct from its net income all taxable dividends it pays to its shareholders, other than capital gains dividends, and the taxable portion of its net realized capital gains distributed to Shareholders as capital gains dividends within the periods prescribed by the Tax Act. If and to the extent NMIC has income after these and other applicable deductions, such income is subject to the prevailing tax rates applicable to a public corporation.

### **Shareholders**

#### *A. Dividends*

Taxable dividends, except capital gains dividends, received by a Shareholder are taxable in the hands of the Shareholder as interest income and not as dividends. Capital gains dividends received by a Shareholder are treated as capital gains of the Shareholder, one half of which must be included as a "taxable capital gain" in computing the Shareholder's taxable income.

#### *B. Dispositions*

The cost to a Shareholder of his Shares (plus or minus certain adjustments required under the Tax Act) will be the adjusted cost base of the Shares at any particular time, against which a capital gain or capital loss will be measured on a sale or other deemed disposition of the Shares.

A Shareholder will be considered to have disposed of his Shares when she assigns or sells his Shares, his Share is the subject of a gift, she dies, or where NMIC is wound-up or otherwise terminated. A Share which is the subject of a gift or which is held by a Shareholder when she dies is generally deemed to be disposed of for proceeds equal to fair market value at that time. However, in certain circumstances a capital gain or capital loss will be deferred where gift or bequest transfers the Share to the Shareholder's spouse.

Generally, a Shareholder will realize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds received or deemed to have been received on the disposition of a Share exceed (or are exceeded by) the adjusted cost base of the Share, after deduction of reasonable costs of disposition.

Shareholders will include one half of any capital gain in computing taxable income as a “taxable capital gain.” Similar proportions of a capital loss will be “allowable capital loss” that may be used to offset taxable capital gains in the year that the capital loss is sustained. To the extent the allowable capital loss is not offset against taxable capital gains in that year, the excess amount may be carried back three years and forward indefinitely to offset taxable capital gains realized in those years.

#### *C. Interest on Money Borrowed to Purchase Shares*

An Investor will generally be entitled to deduct from his income reasonable interest paid or payable with respect to monies borrowed to acquire Shares, provided she has a reasonable expectation of profit from holding the Shares. Interest expense deducted by an Investor will be included in computing his cumulative net investment losses.

After the disposition of a Share by a taxpayer, reasonable interest expense on money borrowed for the purpose of acquiring that Share will generally continue to be deductible until the borrowing is repaid, regardless of whether a gain or loss was realized on the disposition of the Share, except to the extent any proceeds of disposition attributable to that borrowed money are used to make personal expenditures by the taxpayer or are not otherwise used for the purpose of gaining or producing income from a business or property.

### **Deferred Income Plans (RRSPs, RRIFFs, Deferred Profit Sharing Plans)**

#### *A. Eligibility for Investment by Deferred Income Plans*

As long as NMIC is qualified as a MIC under the Tax Act, the Shares will be qualified investments for trusts governed by a registered retirement savings plan (“RRSP”), deferred profit sharing plans, and registered retirement income funds, provided NMIC does not hold any debt of an annuitant or a related party.

#### *B. Interest Expense Regarding RRSP Contributions*

**Interest and other borrowing costs incurred by a Shareholder for the purpose of making a contribution to an RRSP are not deductible. Therefore, if a Shareholder holds Shares in an RRSP, the Shareholder would not be eligible to deduct from his income any interest expense on money borrowed for the purpose of acquiring the Shares held in the RRSP.**

#### *C. Distributions Received From Issuer by RRSP*

As noted, taxable dividends are deemed to be interest income to the Shareholder, which together with one half of capital gains dividends are added to the Shareholder’s taxable income if the Shares are held personally by the Shareholder. Such distributions paid on Shares held by an RRSP, however, will not be subject to tax in the hands of the RRSP, provided the RRSP has not borrowed money or carried on business and the annuitant under the RRSP is alive. An RRSP will not carry on business merely by holding Shares.

The distributions paid to the RRSP will be taxable to the annuitant under the RRSP on withdrawal of the funds from the RRSP, which must occur no later than the year the annuitant becomes 71 years old.

*D. RRSP Contribution Limits*

An individual may contribute cash or eligible property (such as a Share) to an RRSP in a calendar year or within 60 days after the end of the year, and may claim a deduction for that calendar year to the extent that the amount contributed does not exceed the RRSP contribution limits under the Income Tax Act. The amount of an individual's contribution will be equal to the fair market value of any property contributed as of the date of contribution. An indefinite carry forward of unused RRSP deduction room is available in the event contributions made to an RRSP for a particular year are less than the allowable contribution for that year.

The transfer of a Share to an RRSP will result in the deemed disposition for income tax purposes at an amount equal to the fair market value of the Share at the time of the transfer. For an individual Shareholder who holds a Share as capital property, the disposition will result in a capital gain equal to the excess of the fair market value of the Share over its adjusted cost base. Should the fair market value of the Share be less than its adjusted cost base upon contribution to the RRSP, no capital loss will be allowed.

Funds or property withdrawn from an RRSP are taxable to the annuitant under the RRSP in the year of withdrawal. The amount of any non-qualified investment acquired by an RRSP in a year is included in the income of the annuitant for the year.

***EACH PROSPECTIVE INVESTOR IS ADVISED TO SEEK INDEPENDENT ADVICE IN RESPECT OF THE INCOME TAX CONSEQUENCES OF HIS PARTICIPATION IN NMIC, TAKING INTO ACCOUNT HIS OWN PARTICULAR CIRCUMSTANCES.***

**ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS**

7.1 In respect of the Manager's efforts in marketing NMIC Special Shares, it is paid an annual equal to 4.0% of Funds Under Management paid quarterly commencing in the month following the first anniversary date of investment and terminating when the shares are redeemed. If an early redemption occurs, some of the commission will be clawed back and the trailer fee will terminate.

In consideration for payment of this marketing fee, the Manager is responsible for all amounts it expends on advertising and other marketing expenses to attract new investors to NMIC, as well as any and all operating expenses associated with operation the day-to-day operations of NMIC, and is authorized to enter into arrangements with third party securities brokers and financial advisors to compensate them for their efforts in marketing NMIC Special Shares.

## ITEM 8 RISK FACTORS

This purchase of Shares involves a number of risk factors and is suitable only for Investors who are aware of the risks inherent in the real estate industry and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on an Investor's investment, although as described in Item 2.3, the Manager has implemented an investment strategy to minimize the risk of investing in mortgages. Although future returns cannot be guaranteed, the Manager has been very successful to date in implementing this strategy as it has achieved an annual return in excess of 10% over the past year and has never had a month since inception where it has achieved a negative return.

NMIC advises that prospective Investors should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Shares in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

In addition to the factors set forth elsewhere in this Offering Memorandum, prospective Investors should consider the following risks before purchasing Shares. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on NMIC's business, and/or the return to the Investors.

**8.1 Investment Risk** – Risks that are specific to the Shares being offered under this Offering include the following:

- 1) **No Market for Shares** – There is no market through which Shares may be sold and NMIC does not expect that any market will develop pursuant to this Offering or in the future. The Shares are subject to resale restrictions under applicable securities legislation. See Item 10, Resale restrictions, regarding resale restrictions applicable to the Shares.
- 2) **Retraction Liquidity** – The Shares are retractable, meaning that Investors have the right to require NMIC to redeem them, upon appropriate advance notice from the Investor to NMIC. The retraction timings are measured from the date on which the Investor is issued the Shares to the date on which the Investor is entitled to call for their redemption by NMIC. **If the Investor does not provide NMIC with the appropriate notice of retraction, the right of retraction is suspended until an additional time period has elapsed.** See Item 5.1, Terms of Securities. Retraction and redemption of the Shares is subject to NMIC maintaining its status as a MIC as defined by the Tax Act, all as determined solely by the Manager. Accordingly this investment is may be unsuitable for those prospective Investors who require greater liquidity.
- 3) **Absence of Management Rights** – The Special Shares being sold under this Offering do not carry voting rights, and consequently an Investor's investment in Shares does not carry with it any right to take part in the control or management of NMIC's business, including the election of directors. In assessing the risks and rewards of an investment in Shares, potential Investors should appreciate that they are relying solely on the good faith, judgment and ability of the directors, officers and employees of NMIC and the Manager to make appropriate decisions with respect to the management of NMIC, and that they will be bound by the decisions of NMIC's and the Manager's directors, officers and employees. It would be inappropriate for Investors unwilling to rely on these individuals to this extent to purchase Shares.

- 4) **Lack of Separate Legal Counsel** – The Investors, as a group, have not been represented by separate counsel. Neither counsel for NMIC nor counsel for the Manager purports to have acted for the Investors or to have conducted any investigation or review on their behalf.

**8.2 Issuer Risk** – Risks that are specific to NMIC include the following:

- 5) **MIC Tax Designation** – Under NMIC’s articles, NMIC’s directors are required to use their best efforts to ensure that NMIC qualifies as a MIC pursuant to the Tax Act. As well, NMIC’s Articles of Incorporation grant the directors the discretion to reject any applications for stock dividends or share subscriptions, transfers, redemptions or retractions where in the view of the directors such would not be in NMIC’s best interests as a MIC under the Tax Act. As a company qualified as a MIC, NMIC may deduct taxable dividends it pays from its income, and the normal gross-up and dividend tax credit rules will not apply to dividends paid by NMIC on the Shares. Rather, the dividends will be taxable in the hands of shareholders as if they had received an interest payment.
- 6) **Reliance on the Manager** – In accordance with the terms of the Management Services Agreement between NMIC and the Manager, the Manager has significant responsibility for assisting NMIC to conduct its affairs. Any inability of the Manager to perform competently or on a timely basis will negatively affect NMIC.
- 7) **Key Personnel** – The operations of NMIC and the Manager are highly dependent upon the continued support and participation of their key personnel. The loss of their services may materially affect the time or the ability of NMIC to implement its business plan. The Manager’s management team consists of several key personnel. In order to manage NMIC successfully in the future, it may be necessary to further strengthen its management teams. The competition for such key personnel is intense, and there can be no assurance of success in attracting, retaining, or motivating such individuals. Failure in this regard would likely have a material adverse effect on NMIC’s business, financial condition, and result of operations.
- 8) **Conflict of Interest** – Conflicts of Interest exist, and others may arise, between Investors and the directors and officers of the Manager and NMIC and their associates and affiliates. There is no assurance that any conflicts of interest that may arise will be resolved in a manner most favorable to Investors. Persons considering a purchase of Shares pursuant to this Offering must rely on the judgment and good faith of the directors, officers and employees of the Manager and NMIC in resolving such conflicts of interest as may arise. NMIC and its shareholders are dependent in large part upon the experience and good faith of the Manager. The Manager is entitled to and does act in a similar capacity for other companies with investment criteria similar to those of NMIC. Notwithstanding this fact, the Manager has not experienced any difficulty to date in keeping NMIC fully invested in high-yield mortgages and other real estate investment opportunities, and does not at this time anticipate any difficulty in this regard in the future.
- 9) **Future Operations and Possible Need for Additional Funds** – Certain uninsurable or uninsured events may also occur which can substantially reduce the ability of NMIC to carry on business in a profitable manner, including natural or man-made disasters. NMIC anticipates that a substantial portion of the net proceeds of this Offering will be expended by NMIC in investing in residential mortgages, and also anticipates that the net proceeds of the Offering and anticipated cash flow from operating revenues will be sufficient to carry out NMIC’s business plan.



**8.3 Industry Risk** – There are also risks faced by NMIC because of the industry in which it operates. Real estate investment is subject to significant uncertainties due, among other factors, to uncertain costs of construction, development and financing, uncertainty as to the ability to obtain required licenses, permits and approvals, and fluctuating demand for developed real estate. The anticipated higher returns associated with NMIC's mortgage loans reflect the greater risks involved in making these types of loans as compared to long-term conventional mortgage loans. Inherent in these loans are completion risks as well as financing risks. In addition, prospective Investors should take note of the following:

- 1) **Insurance** – NMIC's mortgage loans will not usually be insured in whole or in part. As well, there are certain inherent risks in the real estate industry, some of which NMIC may not be able to insure against or which NMIC may elect not to insure due to the costs of such insurance. The effect of these factors cannot be accurately predicted.
- 2) **Priority** – Financial charges for construction and other financing funded by conventional third party lenders may rank in priority to the mortgages registered in favour of NMIC. Although NMIC will have all of the rights of the holder of a subsequent mortgage in this scenario, in the event of default by the mortgagor under any prior financial charge, NMIC may not recover any or all the monies advanced.
- 3) **Default** – If there is default on a mortgage, it may be necessary for NMIC, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing. In those cases, it is possible that the total amount recovered by NMIC may be less than the total investment, resulting in loss to NMIC. Equity investment in real property may involve fixed costs in respect of mortgage payments, real estate taxes, and maintenance costs, which could adversely affect NMIC's income.
- 4) **Yield** – The yields on real estate investments, including mortgages, depend on many factors including economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, legislation, government regulation and tax laws. NMIC cannot predict the effect that such factors will have on its operations year after year.
- 5) **Competition** – The earnings of NMIC depend on NMIC's ability, with the assistance of the Manager, to locate suitable opportunities for the investment and re-investment of NMIC's funds and on the yields available from time to time on mortgages and other investments. The investment industry in which NMIC operates is subject to a wide variety of competition from private businesses in Canada and the United States, many of whom have greater financial and technical resources than NMIC. Although such competition, as well as any future competition, may adversely affect NMIC's success in the marketplace, at the present time the Manager has no reason to believe that such competition will prevent NMIC from successfully executing its business plan or operating profitably.

## ITEM 9 REPORTING OBLIGATIONS

**9.1** You will receive the following ongoing documentary disclosure if you invest NMIC:

**Monthly:** With your monthly cheque (or new share certificate if you choose to reinvest), you will receive an Account Statement showing the total number of Special Shares outstanding as of the 15<sup>th</sup> of that month; total number of Special Shares you own; income earned in that month and the amount of your dividend in that period (or new shares if you are reinvesting).

**Quarterly:** On a quarterly basis you will receive your standard monthly disclosure as well as disclosure of any bonus dividend payable for that quarter.

**Annually:** You will receive the same reports given monthly and quarterly and may be given a copy of the audited statements for that period when the same are completed. The audited copy of the statements is at the discretion of the Manager.

**ITEM 10 RESALE RESTRICTIONS**

These securities (i.e. Shares) will be subject to a number of resale restrictions, including a restriction on trading. **There are restrictions on the ability of a subscriber to resell the Shares offered hereunder, and there is, at the present time, an indefinite hold period in respect of these securities. There is no market for the Shares nor is any market expected to develop. As there is no market for these securities, it may be difficult or even impossible for an investor to sell them. Subscribers should refer to any applicable provisions of the securities legislation of the subscriber's province for the particulars of these restrictions or consult with a legal adviser.**

## ITEM 11 PURCHASERS' RIGHTS

Certain purchasers of Shares will have certain rights, some of which are described below. The rights to which a purchaser is entitled to will depend upon the province or territory in which the purchaser resides and the prospectus exemption under which the purchaser purchased Shares. Purchasers are advised to seek legal advice concerning their rights.

In certain circumstances, purchasers resident in certain provinces and territories of Canada are provided with a remedy for rescission or damages, or both, in addition to any other right they may have at law, where an offering memorandum and any amendment to it contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation.

The following summary is subject to the express provisions of the applicable securities laws, regulations and rules, and reference is made thereto for the complete text of such provisions. Such provisions may contain limitations and statutory defenses on which the NMIC and other applicable parties may rely.

**Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the particulars of these rights or consult with a legal advisor.**

The rights of action described below are in addition to and without derogation from any other right or remedy available at law to the purchaser and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defenses contained therein.

The following is a summary of rights of rescission or damages, or both, available to certain investors in certain of the provinces of Canada.

### **Ontario**

In the event that an offering memorandum, together with any amendment thereto, delivered to a purchaser of securities contains an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (referred to as a "Misrepresentation" in this paragraph) and it was a Misrepresentation at the time of purchase of the securities, each purchaser in Ontario will, without regard to whether the purchaser relied on the Misrepresentation, subject as hereinafter provided, have a right of action against the issuer for damages, or, while still the owner of the securities purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer, provided that:

(a) the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the issuer not later than 180 days after the date on which the payment is made for the securities in respect of which the purchaser is exercising the right;

(b) the right of action for damages will be exercisable by a purchaser no later than the earlier of 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or three years from the day of the transaction that gave rise to the cause of action;

(c) the issuer will not be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(d) in the case of an action for damages, the issuer will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

(e) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the purchaser.

### ***New Brunswick***

In the event that an offering memorandum, together with any amendment thereto, delivered to a purchaser of securities contains an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made (referred to as a "Misrepresentation" in this paragraph) and it was a Misrepresentation at the time of purchase of the securities, each purchaser in New Brunswick will be deemed to have relied upon the Misrepresentation and will, subject as hereinafter provided, have a right of action against the issuer for damages, or while still the owner of the securities purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer, provided that:

(a) the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the issuer not later than 180 days after the date on which the payment is made for the securities in respect of which the purchaser is exercising the right;

(b) the right of action for damages will be exercisable by a purchaser no later than the earlier of one year from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or six years after the date of the transaction that gave rise to the cause of action;

(c) the issuer will not be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(d) in the case of an action for damages, the issuer will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

(e) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the purchaser.

**ITEM 12 FINANCIAL STATEMENTS**

Audited Financial Statements for NMIC are currently not available.

**ITEM 13      DATE AND CERTIFICATE OF THE ISSUER**

Dated the 4<sup>th</sup> day of May, 2021.

This Offering Memorandum does not contain a misrepresentation.

**NORTHSIDE MORTGAGE INVESTMENT CORPORATION**



Anthony DiNardo  
President and Director

**STATEMENTS MADE IN THIS OFFERING MEMORANDUM ARE THOSE OF THE ISSUER. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN AS REFERRED TO IN THIS OFFERING MEMORANDUM, AND ANY INFORMATION OR REPRESENTATION NOT REFERRED TO IN THIS OFFERING MEMORANDUM MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER.**

**NORTHSIDE MORTGAGE INVESTMENT CORPORATION****SUBSCRIPTION INSTRUCTIONS**

The accompanying Subscription Agreement contains a number of forms required under applicable securities laws, some of which you must complete and others not depending on several factors. Please read the following instructions carefully as they will assist you in completing this Subscription Agreement correctly.

1. **All Subscribers** must complete and sign the pages 33-48 of the accompanying Subscription Agreement

**Accredited Investors**

2. **If the Subscriber is an “accredited investor”** as defined in National Instrument 45-106 Prospectus Exemption (“NI 45-106”) and wished to subscribe pursuant to the “accredited investor” exemption under NI 45-106, complete and sign the “Representation Letter for Accredited Investors” in the Form attached to the Subscription Agreement as Exhibit A and Exhibit A-1

**\$150,000 Investments (by Non-Individuals)**

3. **If the Subscriber is not an individual and is subscribing for Special Shares with an acquisition cost not less than \$150,000** and wishes to subscribe pursuant to the “minimum amount investment” exemption under NI 45-106, there are no schedules or appendices to be completed; however, by executing the Subscription Agreement, the Subscriber will be attesting to the accuracy of their representation.

**Other Subscribers**

4. **All Subscribers, except for those subscribing pursuant to Section 2 and 3 above**, must complete and sign two copies of the “Risk Acknowledgement Form” attached to the Subscription Agreement as Schedule B and:
  - a. **If the Subscriber is a resident of Manitoba, Prince Edward Island, Yukon, Northwest Territories or Nunavut** and is subscribing for Special Shares with an acquisition cost of more than \$10,000, complete and sign one copy of the “Eligible Investor Representation Letter” (Schedule C) and
  - b. **If the Subscriber is a resident of Ontario, Alberta, New Brunswick, Nova Scotia, Quebec or Saskatchewan**, and is an individual, complete and sign two copies of Schedule D and Exhibit B.

**All Subscribers**

5. Deliver a duly completed and executed Subscription Agreement (including all applicable schedules and exhibits thereto) to **Northside Mortgage Investment Corporation c/o Anthony O. Maniaci, LLB, 80 Carlauren Road, Unit 23, Vaughan, ON L4K 7Z5**.
6. Deliver the payment of the aggregate Subscription Amount to the Manager by certified cheque, bank draft or wire transfer to **Anthony O. Maniaci in Trust**.



**Subscription Agreement for Residents of Ontario, Saskatchewan, New Brunswick, Northwest Territories or Nunavut**

NORTHSIDE MORTGAGE INVESTMENT CORPORATION ("NMIC")  
c/o Uptown Mortgage Group Inc.(the "Manager")  
80 Carlauren Road, Unit 23  
Vaughan, ON  
L4K 7Z5

**Re: Subscription for Special Shares**

**Subscription**

Pursuant to the terms and conditions set out in the Offering Memorandum relating to the offering of nonvoting Special Shares ("Shares") in the capital stock of NMIC, the undersigned (the Subscriber") hereby irrevocably subscribes for \_\_\_\_\_ special shares at a subscription price of \$1.00 CDN per share and the Subscriber submits herewith a cheque(s) **made payable to Anthony O. Maniaci, In Trust** as solicitor for NMIC.

**Dividends and Distributions**

The Subscriber acknowledges that distributions of the net income earned by NMIC are made monthly. The Subscriber hereby elects as follows with respect to said monthly dividend entitlement [*Instructions: Select one option*].

- applied to the purchase of further Shares; or
- remitted to the Subscriber by cheque or electronic funds transfer.

**Subscriber Representations and Warranties**

The Subscriber represents, warrants and acknowledges to and in favour of NMIC and the Manager that as of the date hereof:

1. The Subscriber acknowledges that the sale of the Shares to the Subscriber as contemplated in this agreement (including, without limitation, as to the aggregate purchase amount payable) complies with or is exempt from the applicable securities legislation of the province or territory of Canada in which the Subscriber resides as set out below. The Subscriber hereby indicates on the basis it qualifies:
  - The Subscriber is an "accredited investor" and has indicated on Exhibit A to this document under which definition of "accredited investor" the Subscriber qualifies under.
  - The Subscriber is not an "accredited investor". The minimum investment for "non-accredited investors" is \$150,000.00.
2. The Shares subscribed for herein are being acquired by the Subscriber (i) as principal for the Subscriber's own account or (ii) as agent or trustee for an account fully managed by the Subscriber (and in respect of which the Subscriber has due and proper authority to so act as agent or trustee and to enter into this agreement on behalf of such account).
3. The Subscriber acknowledges receipt of a copy of the Offering Memorandum for this offering, and further acknowledges that the decision of the Subscriber (or, if applicable, any other person on whose behalf the Subscriber is contracting) to tender this subscription has not been made as a result of any verbal or written representation as to fact or otherwise made by or on behalf of NMIC or the Manager other than as set out in the said Offering Memorandum.

4. The Subscriber expressly acknowledges that all new investment is rolled into NMIC on the 16th of each month. To be eligible to be rolled into NMIC on the 16th of any particular month, you must insure that this fully completed and executed Agreement, including Exhibit A, as well as a certified cheque or bank draft payable to Anthony O. Maniaci, in Trust for the full amount of the subscription price, are received at the said solicitor's office located at 80 Carlauren Road, Vaughan, Ontario L4L 7Z5 by the 13th of that month (or the last business day before the 13th if the 13th is a holiday). The Subscriber further acknowledges that it may deliver notice to the said solicitor by fax (905)851-5108 or email aomaniaci@maniacilaw.com at any time before 11:59 pm on the 2nd day following the date the said solicitor receives this completed Agreement and funds requesting the return of the tendered funds, and the same will be returned to the Subscriber without deduction or obligation.
5. The Subscriber further acknowledges that it has the right following the expiration of 180 days from the date the Shares are issued to require NMIC to redeem said Shares on the first 16th of a month that falls after the expiration of 120 days of receipt of said notice by NMIC, provided however an early redemption fee will be payable by the Subscriber if said notice is delivered to NMIC any time before the 3rd anniversary from the date of the Shares were issued in accordance with the following sliding scale: notice of redemption is received after 180 days but before the end of the first year: 2.5% of amount redeemed; notice of redemption is received prior to the end of the 2nd year: 2.0% of amount redeemed; notice of redemption is received prior to the end of the third year: 1.5% of amount redeemed; notice received after the expiry of third anniversary date of investment: NIL.
6. If the Subscriber is an individual, she or she has attained the age of majority and that she or she is a resident of Canada;
7. This Subscription Agreement has been duly authorized, executed and delivered by, and constitutes a valid, binding and enforceable agreement of the Subscriber, and if the Subscriber is other than an individual, the execution of this Agreement has been duly authorized by all necessary action of that entity or organization;
8. The Shares are being offered and sold pursuant to exemptions from the prospectus requirements of applicable securities laws and, consequently, such laws impose Various restrictions which affect the transferability of the Shares. The Subscriber acknowledges being advised of this fact prior to execution of this Agreement; and
9. All the representations and warranties of the Subscriber contained herein and all information furnished by the Subscriber to NMIC or the Manager in connection with this transaction are true, correct and complete in all respects. The Subscriber expressly acknowledges that the foregoing representations, warranties, agreements, undertakings and acknowledgements are made by the Subscriber with the intent that they be relied upon by the Manager and NMIC in determining his, her or its suitability as a purchaser of Shares and the Subscriber hereby agrees that such representations, warranties, agreements, undertakings, and acknowledgements are intended to survive the Subscriber's purchases of Shares.

### **Indemnity**

The Subscriber acknowledges that the NMIC, the Manager as well as each of the officers and directors thereof, have relied upon the representation of the Subscriber that she, she or it is an "accredited investor" as this term is defined by relevant securities legislation and hereby agrees to indemnify such persons against any cost, expense or liability incurred should such representation be false.

### **Applicable Law**

This subscription agreement shall be construed in accordance with, and governed in all respects by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, in each case without reference to conflicts of law rules.

### **Registration**

Please record and register the Shares herein subscribed for on the records of NMIC in the name indicated below:

\_\_\_\_\_  
Name of Subscriber

The subscriber understands that the Manager in its sole discretion has the right to reject all or any part of this subscription and that the subscriber will be promptly notified by the Manager and, in any event, within two business days of receipt of this subscription agreement by the Manager if this subscription will not be fully accepted. In the event that all or part of this subscription is rejected by the Manager, all amounts received by the Manager from the Subscriber which are not to be accepted will be returned to the subscriber forthwith without interest or deduction.

**Entire Agreement**

This subscription agreement contains the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

IN WITNESS THEREOF, the Subscriber has executed this subscription agreement this \_\_\_\_\_.

\_\_\_\_\_  
Name of Subscriber

\_\_\_\_\_  
Social Insurance No. or  
Corporate Tax Account No.

By: \_\_\_\_\_

Signature of Subscriber or  
Authorized Representative

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Beneficiary Name

\_\_\_\_\_  
Beneficiary Relationship

## WARNING!

**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

SECTION 1: TO BE COMPLETED BY ISSUER OR SELLING SECURITY HOLDER

**1. About Your Investment**

Type of Security:                      Special Shares  
 Issuer:                                      NORTHSIDE Mortgage Investment Corporation

SECTION 2 TO 4 TO BE COMPLETED BY THE PURCHASER

**2. Risk Acknowledgement**

<b>This investment is risky. Initial that you understand that:</b>	<b>Your Initials</b>
<b>Risk of Loss</b> - You could lose your entire investment of \$ _____	
<b>Liquidity Risk</b> - You may not be able to sell your investment quickly - or at all.	
<b>Lack of Information</b> - You may receive little or no information about your investment.	
<b>Lack of Advice</b> - You will not receive advise from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with you, or provides information to you about making this investment.	

**3. Accredited Investor Status**

<p><b>You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person can help you if you have questions about whether you meet these criteria.</b></p>	<b>Your Initials</b>
<ul style="list-style-type: none"> <li>• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (Please refer to your personal income tax return for this information)</li> </ul>	
<ul style="list-style-type: none"> <li>• Your net income before taxes combined with your spouse’s was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.</li> </ul>	
<ul style="list-style-type: none"> <li>• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.</li> </ul>	
<ul style="list-style-type: none"> <li>• Either alone or with your spouse, you have net assets worth more than \$5 million (Your net assets are your total assets (including real estate) minus your total debt.)</li> </ul>	

**4. Your Name and Signature**

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

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Signature	Name	Date
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<p><b>5. Salesperson information</b></p> <p>Name:</p> <p>Telephone:</p> <p>Email:</p>	<p><b>6. For more information about this investment</b></p> <p>Contact:</p> <p>NORTHSIDE Mortgage Investment Corporation (“NMIC”) 80 Carlauren Road Suite 23 Vaughan, ON L4L 7Z5</p> <p>Telephone: (647)494-9953 Facsimile: (647)797-9921 Web: www.northsidemic.com</p>
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TO: NORTHSIDE Mortgage Investment Corporation (the "Corporation")

In connection with the purchase of Shares (the "Securities") of the Corporation by the undersigned subscriber or, if applicable, the disclosed principal on whose behalf the undersigned is purchasing as agent (the "Subscriber" for the purposes of this Schedule A), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is either purchasing the Securities as principal for the Subscriber's own account or is deemed under National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators ("NI 45-106") to be purchasing the Securities as principal;
2. The Subscriber is an "accredited investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Exhibit A to this Representation Letter (YOU MUST ALSO INITIAL THE APPROPRIATE LINE IN EXHIBIT A TO THIS REPRESENTATION LETTER AND, IF APPLICABLE, COMPLETE EACH QUESTION WHICH FOLLOWS THAT PARTICULAR PORTION OF THE DEFINITION). If the Subscriber is an individual relying on paragraph (j), (k) or (l) of the "accredited investor" definition in Exhibit A to this Representation Letter, please duly complete and sign two copies of Form 45-106F9 - Form for Individual Accredited Investors in the form attached hereto as Exhibit A to this Representation Letter.
3. The above representations, warranties and covenants will be true and correct both as of the execution of this Representation Letter and as of the issue date and acknowledges that they will survive the completion of the issue of the Securities; and
4. The undersigned acknowledges that the foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining the suitability of the Subscriber as a purchaser of the Securities and that this Representation Letter is incorporated into and forms part of the Subscription Agreement and the undersigned undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the closing time of the purchase and sale of the Securities.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name of Subscriber

By: \_\_\_\_\_

\_\_\_\_\_  
Signature of Subscriber or  
Authorized Representative

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

**IMPORTANT: PLEASE INITIAL THE APPLICABLE CATEGORY OR CATEGORIES OF ACCREDITED INVESTOR IN Exhibit A TO SCHEDULE A ON THE PAGE THAT DESCRIBES YOU.**

**RISK ACKNOWLEDGMENT FORM**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$\_\_\_\_\_ in total; this includes any amount I am obliged to pay in the future. NORTHSIDE Mortgage Investment Corporation will pay \$\_\_\_\_\_ (amount of fee or commission) of this to \_\_\_\_\_ (name of person selling the securities) as a fee or commission.

Where allowed by applicable securities legislation, the Corporation intends to offer compensation of up to 4% of the gross proceeds realized on the sale of Shares under this Offering to any one of, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives, parties related to the Corporation and employees and/or contractors of such parties.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Name of Purchaser

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**You have 2 business days to cancel your purchase.**

To do so, send a notice to NORTHSIDE Mortgage Investment Corporation stating that you want to cancel your purchase. You must deliver the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to NORTHSIDE Mortgage Investment Corporation at its business address. Keep a copy of the notice for your records.

NORTHSIDE Mortgage Investment Corporation ("NMIC")  
80 Carlauren Road  
Suite 23  
Vaughan, ON  
L4L 7Z5  
Telephone: (647)494-9953  
Facsimile: (647)797-9921  
Web: www.northsidemic.com

**Instructions: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.**

**You are buying Exempt Market Securities**

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

**You will receive an Offering Memorandum**

Read the Offering Memorandum carefully because it has important information about the issuer and its securities.

Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

**The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

**The issuer of your securities is a non-reporting issuer**

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. For more information on the exempt market, contact your local securities regulatory authority or regulator.

- If you live in British Columbia, contact the British Columbia Securities Commission at (604) 899-6500, (outside the local area, call toll-free 1-800-373-6393), or visit its website at [www.bese.be.ca](http://www.bese.be.ca).
- If you live in Alberta, contact the Alberta Securities Commission, in Calgary at (403) 297-6454 or visit its website at [www.albctasecurities.com](http://www.albctasecurities.com).
- If you live in Saskatchewan, contact the Financial Services Commission at (306) 787-5645, or visit its website at [www.spsc.gov.sk.ca](http://www.spsc.gov.sk.ca).
- If you live in Manitoba, contact the Manitoba Securities Commission at (204) 945-2548, or visit its website at [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca).
- If you live in Quebec, contact the Autorite des marches financiers at (514) 395-0337, or visit its website at [www.lautorite.qc.ca](http://www.lautorite.qc.ca).
- If you live in the Northwest Territories, contact the Office of the Superintendent of Securities, Department of Justice at (867) 920-3318, or visit its website at [www.iustiee.gov.nt.ca/SecuritiesRegistrv](http://www.iustiee.gov.nt.ca/SecuritiesRegistrv).
- If you live in Nunavut, contact the Office of the Superintendent of Securities, Department of Justice at (867) 975-6590, or visit its website at [www.iustice.gov.nu.ca](http://www.iustice.gov.nu.ca).
- If you live in the Yukon, contact the Superintendent of Securities, Community Services at (867) 667-5225, or visit its website at [www.community.gov.yk.ca/corp/sccurcinvst.html](http://www.community.gov.yk.ca/corp/sccurcinvst.html).
- If you live in New Brunswick, contact the New Brunswick Securities Commission at (506) 658-3060 or visit its website at [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca).
- If you live in Newfoundland and Labrador, contact the Securities Commission of Newfoundland & Labrador at (709) 729-4189 or visit its website at [www.gs.gov.nl.ca/cca/scon](http://www.gs.gov.nl.ca/cca/scon).
- If you live in Nova Scotia contact the Nova Scotia Securities Commission at (902) 424-7768 or visit its website at [www.gov.ns.ca/nssc](http://www.gov.ns.ca/nssc).
- If you live in Prince Edward Island, contact the Prince Edward Island Securities Office at (902) 368-4569 or visit its website [www.gov.ne.ca/securities](http://www.gov.ne.ca/securities).



TO: NORTHSIDE MORTGAGE INVESTMENT CORPORATION (the "Corporation")

In connection with the purchase of Special Shares (the "Securities") of the Corporation by the undersigned subscriber or, if applicable, the disclosed principal on whose behalf the undersigned is purchasing as agent (the "Subscriber" for the purposes of this Schedule A), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is either purchasing the Securities as principal for the Subscriber's own account or is deemed under National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators ("NI 45-106") to be purchasing the Securities as principal;
2. The Subscriber is an "eligible investor" as defined in NI 45-106, meaning: *[check all applicable boxes]*
  - a. person or company whose:
    - net assets, alone or with a spouse, exceed C\$400,000,
    - net income before taxes exceeded C\$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or
    - net income before taxes combined with that of a spouse exceeded C\$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the Directors are eligible investors,
    - a general partnership in which all of the partners are eligible investors,
    - a limited partnership in which the majority of the general partners are eligible investors,
    - a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,
    - an accredited investor,
    - a person described in section 2.5 of NI 45-106 *[Family, friends and business associates]*, or
    - in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser.
3. The above representations, warranties and covenants will be true and correct both as of the execution of this Representation Letter and as of the issue date and acknowledges that they will survive the completion of the issue of the Securities; and
4. The undersigned acknowledges that the foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining the suitability of the Subscriber as a purchaser of the Securities and that this Representation Letter is incorporated into and forms part of the Subscription Agreement and the undersigned undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the closing time of the purchase and sale of the Securities.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name of Subscriber

By: \_\_\_\_\_

\_\_\_\_\_  
Signature of Subscriber or  
Authorized Representative

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

**Instructions:** This schedule must be completed together with the Risk Acknowledgement Form (Schedule B) and Exhibit A to the Schedule A by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of NI 45-106 in Ontario and on or following April 30, 2016 in Alberta. New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan.

**How you qualify to buy securities under the offering memorandum exemption**

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

**ELIGIBLE INVESTOR**

A. You are an Eligible Investor because:	Your Initials
Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

**ACCREDITED INVESTOR**

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 73.3 of the Securities Act (Ontario), because:	Your Initials
Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
Either alone or with your spouse, you own more than \$ 1 million in cash and securities after subtracting any debt related to the cash and securities.	
Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

**a FAMILY, FRIENDS AND BUSINESS ASSOCIATES**

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:	Your Initials
<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> issuer a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> issuer a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are. (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>You are the:</p> <p><input type="checkbox"/> spouse      <input type="checkbox"/> parent      <input type="checkbox"/> grandparent      <input type="checkbox"/> brother      <input type="checkbox"/> sister</p> <p><input type="checkbox"/> child      <input type="checkbox"/> grandchild</p> <p>of</p> <p><input type="checkbox"/> that person      <input type="checkbox"/> that person's spouse.</p> <p><small>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</small></p>	
<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>You have known that person for _____ years.</p>	
<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>You have known that person for _____ years.</p>	

**NOT ELIGIBLE INVESTOR**

	<b>Your Initials</b>
<b>D. You are not an eligible investor.</b>	
You acknowledge that you are not an eligible investor.	

*Instructions: This Exhibit B to Schedule D must be completed together with the Risk Acknowledgement Form (Schedule B) and Schedule D by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of NI 45-106 in Ontario and on or following April 30, 2016 in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan.*

**SECTION 1 TO BE COMPLETED BY THE PURCHASER**

**1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption**

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule E. Initial the statement that applies to you.

<b>A. You are an eligible investor.</b>	<b>Your Initials</b>
<p>As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.</p> <p>Initial one of the following statements:</p>	
<p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	
<p>You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.</p>	

<b>B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 73.3 of the Securities Act (Ontario).</b>	<b>Your Initials</b>
<p>You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.</p>	

<b>C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.</b>	<b>Your Initials</b>
<p>You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [Family, friends and business associates], you are not subject to investment limits.</p>	

<b>D. You are not an eligible investor.</b>	<b>Your Initials</b>
<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

**SECTION 2 TO BE COMPLETED BY THE REGISTRANT**

**2. Registrant information**

*[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment]*

First name of registrant:	Last name of registrant:
<p>Registered as:</p> <p><i>[Instruction: indicate whether registered as a dealing representative or advising representative.]</i></p> <p><input type="checkbox"/> Dealing representative                      <input type="checkbox"/> Advising representative</p>	
Telephone:	Email:
<p>Name of firm:</p> <p><i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i></p> <p><input type="checkbox"/> Exempt market dealer                      <input type="checkbox"/> Investment dealer                      <input type="checkbox"/> Portfolio manager</p>	
Date:	

TO: NORTHSIDE MORTGAGE INVESTMENT CORPORATION (the "Corporation")

By signing this form, the undersigned requests enrolment in the Corporation's Dividend Reinvestment Plan ("the DRIP") to have all dividends on Special Shares registered in the name of the undersigned reinvested in additional Special Shares in the capital of the Corporation. The undersigned acknowledges having received and reviewed a copy of the Corporation's subscription agreement, and has chosen to participate in the Corporation's Dividend Reinvestment Plan and agrees that participation in the Plan will be subject to the disclosure regarding same set out in the said subscription agreement. The undersigned acknowledges that this authorization to enroll Special Shares will remain in effect until the undersigned notifies the Corporation otherwise in writing in accordance with the applicable provisions of the said subscription agreement. No brokerage commissions are payable in connection with the purchase of shares under the DRIP and all administrative costs are borne by the Corporation.

Dated at \_\_\_\_\_, \_\_\_\_\_ this \_\_\_\_\_.  
City Province

\_\_\_\_\_  
Name of Subscriber

By:

\_\_\_\_\_  
Signature of Subscriber or  
Authorized Representative

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Email Address

TO: NORTHSIDE MORTGAGE INVESTMENT CORPORATION (the "Corporation")

By signing this form, the undersigned confirms they have received the Corporation's Offering Memorandum and understand the risks associated with his/her investment. The undersigned further acknowledges having received and reviewed a copy of the Corporation's subscription agreement along with all supporting documents required under applicable securities laws.

Dated at \_\_\_\_\_, \_\_\_\_\_ this \_\_\_\_\_.  
City Province

\_\_\_\_\_  
Name of Subscriber

By: \_\_\_\_\_  
Signature of Subscriber or  
Authorized Representative

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone





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