

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

ALL OM MARKETING MATERIALS (AS DEFINED HEREIN) RELATED TO THIS OFFERING AND DELIVERED OR MADE REASONABLY AVAILABLE TO AN INVESTOR ARE INCORPORATED BY REFERENCE, AND FORM PART OF, THIS OFFERING MEMORANDUM.

CONFIDENTIAL OFFERING MEMORANDUM

SAGEWISE MORTGAGE INVESTMENT CORPORATION

Continuous Offering

January 15, 2021

SUMMARY OF OFFERING	
The Issuer:	Sagewise Mortgage Investment Corporation (the “ Corporation ” or “ Sagewise MIC ”), an Ontario corporation headquartered at 4080 Confederation Parkway, Unit 402, Mississauga, ON L5B 0G1. Phone: (905)232-0681; Fax: (905)232-0679; Email: Admin@sagewisecapital.com
Currently listed or quoted?	These securities do not trade on any exchange or market.
Reporting Issuer?	No.
SEDAR Filer?	No.
Securities Offered:	Redeemable retractable non-voting Class A Preferred Shares and redeemable retractable non-voting Class B Preferred Shares (collectively, the “ Preferred Shares ”).
Price:	The subscription price is \$10.00 per Preferred Share.
Minimum Offering:	There is no minimum offering size in this Offering – you may be the only purchaser. <i>Funds available under the Offering may not be sufficient to accomplish our proposed objectives.</i>
Maximum Offering:	There is no maximum size to this Offering.
Minimum Subscription:	\$5,000 (500 Preferred Shares), subject to exceptions in the discretion of the Board.
Payment terms:	By: (i) bank draft or certified cheque payable to “Sagewise Mortgage Investment Corporation”; or (ii) wire transfer to the Corporation’s account as instructed in the Subscription Agreement provided to you or to any other designated account or financial institution as prescribed by the Corporation.
Proposed closing dates:	Closings will occur in the discretion of the Corporation from time to time.
Income tax	There are important Canadian income tax consequences in connection with

consequences:	acquiring, holding and disposing of the Preferred Shares. See “ITEM 6 - <i>CANADIAN FEDERAL INCOME TAX CONSIDERATIONS</i> ” below.
Selling Agent?	Yes. The Corporation may pay sales fees to registered securities dealers and exempt market dealers, in an amount of up to 4% of the amount of subscription proceeds raised by them, and up to 1% in trailer commissions. The Corporation may engage exempt market dealers as required to facilitate the Offering from time to time. See “ITEM 7 - <i>COMPENSATION PAID TO SELLERS AND FINDERS</i> ” below.
Resale Restrictions:	You will be restricted from selling your securities for an indefinite period. See “ITEM 10 - <i>RESALE RESTRICTIONS</i> ” below.
Purchaser’s Rights:	You have 2 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 the agreement. See “ITEM 11 - <i>PURCHASERS’ RIGHTS</i> ” below.

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. FOR A MORE COMPLETE DESCRIPTION, SEE “ITEM 8 - *RISK FACTORS*” BELOW.

This Offering is being made pursuant to exemptions from the prospectus and, where permitted, registration requirements of applicable securities legislation in Canada. Subscriptions are subject to acceptance by the Corporation and subject to prior sale and satisfaction of the conditions set forth under “Item 5.9 *Subscription Procedure*” and to the right of the Corporation to close the offering at any time without notice. Closings will be held from time to time as determined by the Corporation. See “Item 5.9 *Subscription Procedure*”.

The Corporation does not intend to list the Preferred Shares. Accordingly, the distribution or circulation of this Offering Memorandum and the offering and sale of the Preferred Shares may be restricted by law in certain jurisdictions. This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Memorandum may come are directed to inform themselves of and observe such restrictions and all legal requirements of their respective jurisdictions of residence in respect of the acquisition, holding and disposition of the Preferred Shares.

Prospective investors should carefully review this Offering Memorandum and are advised to consult with their own legal, financial, accounting, and tax advisors concerning this investment.

The Preferred Shares will be issued only on the basis of information contained in this Offering Memorandum (or as expressly incorporated by reference herein), and no other information or representation has been authorized nor may be relied upon as having been authorized by the Corporation. Any subscription for the Class A Preferred Shares or the Class B Preferred Shares made by any person on the basis of statements or representations not contained in this Offering Memorandum, or inconsistent with the information contained herein, shall be solely at the risk of such person. Neither the delivery of this Offering Memorandum at any time nor any sale of any of the Class A Preferred Shares or the Class B Preferred Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Corporation since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

SUMMARY OF OFFERING	2
Glossary	6
ITEM 1 - USE OF AVAILABLE FUNDS	9
1.1 Funds.....	9
1.2 Use of Available Funds.....	9
ITEM 2 - BUSINESS OF SAGEWISE MIC	10
2.1 Structure	10
2.2 Business of the Corporation	10
General	10
Investment and Borrowing Strategy	11
Investment Policies, Practices And Restrictions	11
2.3 Development of Business	13
2.4 Long Term Objectives of the Corporation.....	14
2.5 Short Term Objectives of the Corporation and Action Plan.....	14
2.6 Insufficient Funds.....	14
2.7 Material Agreements.....	14
Management Services Agreement.....	14
Unanimous Shareholders' Agreement	16
ITEM 3 - INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS	17
3.1 Management Experience.....	19
3.2 Penalties, Sanctions and Bankruptcy	21
3.3 Loans	22
3.4 Related Party Subscriptions	22
ITEM 4 - CAPITAL STRUCTURE.....	23
4.1 Share Capital	23
4.2 Short-term and Long-term Debt.....	23
4.3 Prior Sales	23
ITEM 5 - DESCRIPTION OF THE OFFERED SHARES.....	23
5.1 Ranking.....	23
5.2 Non-Voting.....	24
5.3 Transfer Rights	24
5.4 Dividend Policy	24
5.5 Redemption and Retraction Rights.....	25
5.6 Redemption by the Corporation.....	25
5.7 Allocation of Funds from Preferred Share Issuances	26
5.8 Constraints on Transferability	26
5.9 Subscription Procedure	26
ITEM 6 - CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	27

6.1 Status of the Corporation	28
6.2 Taxation of the Corporation	29
6.3 Taxation of Shareholders.....	29
Dividends	29
Dispositions.....	30
6.4 Eligibility for Investment.....	31
Eligibility for Investment	31
ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS	31
ITEM 8 - RISK FACTORS.....	31
8.1 Investment Risks	31
No guarantee in delivering Target Yields and dividends in general.....	31
No guarantee in preserving capital	32
No market for the securities	32
Resale restrictions.....	32
Availability of Retraction.....	32
Dilution of ownership.....	32
No voting rights	32
Lack of regulatory review	33
8.2 Corporation Risks	33
Maintaining MIC status.....	33
Mortgage defaults	33
Insufficient funds to achieve objectives.....	33
Dependence on the Manager.....	34
Availability of quality mortgage applications.....	34
No history of revenue or profits	34
8.3 Industry Risks	34
Competition.....	34
The real estate market and other economic conditions	34
Interest Rate Risk.....	34
Changes in Law	35
ITEM 9 - REPORTING OBLIGATIONS	35
ITEM 10 - RESALE RESTRICTIONS	35
ITEM 11 - PURCHASERS' RIGHTS.....	36
11.1 Two Day Cancellation Right	36
11.2 Statutory Rights of Action in the Event of a Misrepresentation	36
11.3 Investors in Ontario.....	36
11.4 Investors in Alberta	37
11.5 Investors in British Columbia	38

11.6 Investors in Saskatchewan	39
ITEM 12 - FINANCIAL STATEMENTS	41
ITEM 13 - CERTIFICATE	42
APPENDIX A Audited Financial Statements	A-1

GLOSSARY

The following are definitions of certain terms used in this Offering Memorandum:

“**Act**” means the *Business Corporations Act* (Ontario);

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day on which Schedule I Canadian banks are open to transact normal retail banking business in the Province of Ontario and does not include a Saturday or Sunday;

“**Class A Preferred Shares**” means the redeemable retractable non-voting Class A preferred shares in the capital of the Corporation;

“**Class B Preferred Shares**” means the redeemable retractable non-voting Class B preferred shares in the capital of the Corporation;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Corporation**” or “**Sagewise MIC**” has the meaning set out in the above “*Summary of Offering – Issuer*”;

“**Counsel**” Gowling WLG (Canada) LLP, counsel to the Corporation.

“**CRA**” means the Canada Revenue Agency;

“**DPSP**” means deferred profit sharing plan as defined in the Tax Act;

“**DRIP**” means the dividend re-investment plan of the Corporation;

“**EMD**” means exempt market dealer, and for the purposes of this Offering includes any exempt market dealer appointed by the Corporation to facilitate the Offering from time to time;

“**Investor**” means a purchaser of Preferred Shares pursuant to this Offering;

“**Management Services Agreement**” has the meaning set out in “*Business of Sagewise MIC – Material Agreements*”;

“**Manager**” means Sagewise Capital Corporation, an Ontario corporation, a mortgage broker registered in the Province of Ontario, some of the principals of which are affiliated with the Corporation;

“**MIC**” means a mortgage investment corporation as defined in the Tax Act;

“**NI 45-106**” means National Instrument 45-106 - *Prospectus Exemptions*;

“**Offering**” means the offering of Preferred Shares in the capital of the Corporation as described in this Offering Memorandum;

“Offering Memorandum” means this offering memorandum dated January 15, 2021, as may be amended from time to time;

“OM Marketing Materials” means a written communication, other than an OM standard term sheet (as defined in NI 45-106 - *Prospectus Exemptions*) intended for prospective Investors regarding the distribution of Preferred Shares under this Offering Memorandum;

“Redemption Price” means \$10.00 per Preferred Share;

“Registered Plans” means any one of RESP, RRIF, TFSA, RDSP and RRSP;

“RDSP” means registered disability savings plan as defined in the Tax Act;

“RESP” means registered education savings plan as defined in the Tax Act;

“RRIF” means registered retirement income fund as defined in the Tax Act;

“RRSP” means registered retirement savings plan as defined in the Tax Act;

“Shareholders” means holders of Common Shares of the Corporation;

“Preferred Shares” has the meaning set out in the above *“Summary of Offering – Securities Offered”*;

“Subscription Agreement” means the subscription agreement to be entered into between an Investor and the Corporation in connection with the purchase of Preferred Shares pursuant to the Offering;

“Target Yields” has the meaning set out in *“Description of the Offered Shares – Dividend Policy”*;

“Tax Act” means the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as amended;

“TFSA” means tax free savings account as defined in the Tax Act; and

“Unanimous Shareholders’ Agreement” means the unanimous shareholders’ agreement of the Corporation dated as of January 8, 2021.

In this Offering Memorandum, unless otherwise indicated, references to “dollars” and “\$” are to the currency of Canada.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors including acts of war, terrorism, natural disasters or pandemics or epidemics, such as COVID-19, and the severity and duration thereof, which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results, performance and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Offering Memorandum. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect including, but not limited to: the continued ability to raise capital from the Offering, the ability of the Corporation to continue to operate as a mortgage investment corporation under the Tax Act; the ability of the Corporation to make loans secured by mortgages capable of generating the necessary income to enable the Corporation to achieve its investment objectives, the maintenance of prevailing interest rates at favourable levels, the ability of borrowers to service their obligations under the loans, the ability of the Manager to effectively perform its obligations to the Corporation, anticipated costs and expenses, competition, changes in general economic conditions and changes in tax laws. While the Corporation anticipates that subsequent events and developments may cause its views to change, the Corporation specifically disclaims any obligation to update these forward-looking statements, except as required by applicable law. These forward-looking statements should not be relied upon as representing the Corporation’s views as of any date subsequent to the date of this Offering Memorandum. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation. Additional factors are noted under “ITEM 8 - RISK FACTORS”.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Funds

The following table summarizes the funds that is expected to be available to the Corporation as a result of the Offering:

		Assuming Min. Offering ⁽¹⁾	Assuming Max. Offering ⁽¹⁾
A	Amount to be raised by this Offering	\$0	\$50,000,000
B	Selling commissions and fees	\$0	\$2,000,000 ⁽²⁾
C	Estimated offering costs (e.g. legal, accounting, audit)	\$0	\$200,000 ⁽³⁾
D	Total: D= A - (B+C)	\$0	\$47,800,000

Notes:

- (1) There is no minimum size in this Offering. There is no maximum size of this Offering, and the reference to \$50,000,000 is for illustrative purposes only.
- (2) Assumes 4% of gross proceeds from Offering will be paid as aggregate selling commissions. If the Offering is fully subscribed, the Corporation anticipates paying sales fees to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in an amount up to 4% of the subscription proceeds received, payable at the time of investment. In addition, the Corporation may pay up to 1% to such persons annually as a trailing commission. Such fees payable to will be paid by the Corporation or paid by the Manager and reimbursed by the Corporation. The value of \$2,000,000 is an estimate of selling commissions based on management's expectations. To the extent that the Corporation is responsible for the payment of compensation to securities dealers or others, the funds available to the Corporation will be reduced. See "ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS".
- (3) Estimated legal, accounting, audit costs and printing and other administrative costs associated with this Offering is \$200,000 assuming the maximum offering size is reached.

1.2 Use of Available Funds

The following table is a breakdown of how the Corporation will use the available funds outlined above:

Description of intended use of available funds listed in order of priority	Assuming Min. Offering ⁽¹⁾	Assuming Max. Offering ⁽¹⁾
Investment in mortgages	\$0	\$50,000,000
Fees due to the Manager ⁽²⁾	\$0	\$1,375,000 ⁽²⁾
TOTAL	\$0	\$48,625,000

Notes:

- (1) There is no minimum size in this Offering. There is no maximum size of this Offering, and the reference to \$50,000,000 is for illustrative purposes only.
- (2) Pursuant to the Management Services Contract, the Manager will receive a fee from the Corporation equal to 2.75% per annum of the value of the mortgages under management of the Corporation, to be paid to the Manager in monthly instalments in arrears and adjusted at year end. The Manager will be entitled to be paid an additional 1.25% per annum of the value of the mortgages under management of the Corporation if the Corporation meets or exceeds the Target Yields (as defined herein) for that year. Certain of the current directors and officers of the Corporation are also directors and officers of the Manager. See "ITEM 2.2 Business of the Corporation", "ITEM 2.7 Material Agreements" and "ITEM 8 - RISK FACTORS".

Until specific investments are identified and funded, the available funds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies. The Manager will seek out suitable investments for the available subscription proceeds as soon as possible after each closing as contemplated by this Offering Memorandum.

ITEM 2 - BUSINESS OF SAGEWISE MIC

2.1 Structure

Sagewise Mortgage Investment Corporation was formed by Articles of Incorporation (the “**Articles**”) dated January 8, 2021 under the Act. The head office of the Corporation is located at 4080 Confederation Parkway, Unit 402, Mississauga, ON L5B 0G1.

The Manager was incorporated under the Act on November 25, 2015, with its head office and registered and records office is located at 4080 Confederation Parkway, Unit 402, Mississauga, ON L5B 0G1.

2.2 Business of the Corporation

General

The Corporation has structured itself as a MIC. The Corporation intends to make first, second and third mortgage loans secured against real estate, with a principal (but not exclusive) focus on residential properties. The Corporation anticipates its income will be derived from interest earned on the mortgage loans advanced as well as from fees charged thereon, and in certain circumstances capital gains.

The Manager is registered as a Mortgage Broker with the Financial Services Commission of Ontario (FSCO). FSCO regulates the mortgage brokering and lending activities of mortgage investment corporations or MICs, but does not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation.

The Corporation will work closely with the Manager in order to source non-conventional lending opportunities secured against real estate. Certain principals of the Corporation are also principals of the Manager. As a licensed broker and mortgage administrator, the Manager is well-positioned to market the Corporation to its network and refer mortgage applications that are being sought by the Corporation. In order to govern its arrangement with the Manager, the Corporation has entered into a Management Services Agreement dated January 8, 2021 (the “**Management Services Agreement**”) with the Manager. See “*The Manager*” in this section below.

The Corporation will review loan applications in accordance to its investment policies and restrictions and, if acceptable, will enter into financing agreements with the successful candidates. While the Corporation’s activities mainly involve the investing of funds into mortgages, it will not be directly managing or developing real property.

The Corporation will distribute all of its net income and any net realized capital gains annually in the form of dividends to its investors during each year. See “ITEM 5 - *DESCRIPTION OF THE OFFERED SHARES*”. As a result, the Corporation does not anticipate paying any income tax in any taxation year.

The Corporation will require that mortgage documents are properly registered in the name of the Corporation in order to support approved mortgages, administer mortgage payment collections, confirm payment of realty taxes, confirm maintenance of property insurance, administer enforcement of defaulted mortgages, inspecting select properties to be granted as collateral and engage in any other accounting and administrative activities required to facilitate the administration of the Corporation’s mortgage portfolio.

Investment and Borrowing Strategy

The Corporation intends to invest in a portfolio of residential mortgages with a focus on unconventional mortgages. This includes investments that may not typically qualify for funding from large financial institutions such as shorter term mortgages that are required by individuals, builders and developers of real estate, among others as well as borrowers that require more timely closings. In doing so, the Corporation expects to earn a higher rate of interest and fees than what would otherwise be earned by way of conventional mortgage lending activities.

It is anticipated that the Corporation's portfolio of residential mortgages will be comprised of a mix of first, second and third mortgages. Most mortgages will likely have a term of 1 year. The Corporation will not acquire mortgages in the secondary market, rather the Corporation will lend funds directly to borrowers.

The Corporation expects that most, if not all, of the underlying properties that are collateral to its mortgage investments will be located in Ontario, with a focus on the greater Toronto area.

The Corporation may seek debt both secured and unsecured financing, as permitted for MICs under the Tax Act, in order to enhance shareholder returns. By borrowing funds, the Corporation will be able to increase its financial flexibility and adjust to funding commitments and cash flows accordingly. The Corporation may earn a yield spread between the rate at which funds are borrowed and the rate that is received by the Corporation from its mortgage investments using such borrowed funds. All borrowing activities will be subject to applicable laws. Where the MIC borrows funds that are subject to a security interest over the assets of the MIC, the holders of Preferred Shares will be subordinated to the rights of such secured lenders in any liquidation of the Corporation's assets.

Investment Policies, Practices And Restrictions

The Corporation's investment policies, practices and restrictions include, but are not limited to, the following:

- (a) the Corporation may make loans which exceed 80% (inclusive of all financing and closing costs) of the fair market value of the underlying property for initial terms of up to five years;
- (b) the Corporation initially intends to focus its investments in Ontario, but may expand to other geographical locations subject to compliance with applicable laws;
- (c) the Corporation will only invest in mortgages secured on real property;
- (d) the Corporation may obtain, where necessary and where the size of the mortgage justifies the cost, title insurance in respect of real property provided as security for a mortgage loan in such amounts and on such terms as the Corporation considers appropriate or if necessary, may obtain a favourable title opinion from a solicitor;
- (e) the Corporation may, from time to time, establish and maintain property tax escrow accounts in respect of real estate property provided as security for a mortgage loan where the Corporation has determined, under limited and exceptional circumstances, that the establishment of such an account is necessary;
- (f) legal title to each mortgage and other investments of the Corporation must be held by, and registered in the name of, the Corporation;
- (g) the Corporation will trade its securities through EMDs that are registered under

applicable provincial securities law in a category that permits such trades;

- (h) the Board, or the Corporation's investment committee if applicable, will be responsible for reviewing and approving any mortgage applications received;
- (i) funds received from the issuance of Class A Preferred Shares will be exclusively invested in first and second charge mortgages while funds received from the issuance of Class B Preferred Shares may be invested in any mortgage backed investments and principally in second and third charge mortgages;
- (j) the Corporation may hold a cash or near cash position to facilitate the redemption of Preferred Shares, though there is no assurance that the Corporation will be able to hold such a cash or near cash position; and
- (k) the Corporation will not:
 - (A) guarantee securities or obligations of any person or company;
 - (B) engage in securities lending;
 - (C) engage in derivative transactions for any purpose;
 - (D) enter into a forward commitment binding on the Corporation unless the Corporation has, at the time such commitment is made, sufficient cash of "near cash" securities to fund the loan to which the commitment relates; or
 - (E) otherwise engage or omit to engage in any activities that would cause the Corporation not to qualify as an MIC under the Tax Act or that would result in the Preferred Shares not being a "qualified investment" for Registered Plans and DPSPs under the Tax Act.

The Board reserves the right to change, supplement or replace these policies, practices and restrictions from time to time and without notice to investors.

The Corporation reserves the right to register to carry on business under applicable legislation of other Canadian jurisdictions in order to carry out any plans of expanding the business.

The Manager

The Manager has been retained by the Corporation through the Management Services Agreement to provide mortgage administration, investor relations, and other related services to the Corporation. The Manager is a licensed Mortgage Administrator (License No. 12709) and Mortgage Broker (License No. 13150) in Ontario and is located at 4080 Confederation Parkway, Unit 402, Mississauga, ON L5B 0G1. As of the date of this Offering Memorandum, the Manager has six employees.

The Corporation does not have and does not expect to have any employees other than the officers described herein. See "ITEM 3 - INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS".

The Manager will provide the Corporation with administrative and management services relating to the Corporation's business including, overseeing the mortgage processing and administrative services, in accordance with the terms and conditions set out in the Management Services Contract. Pursuant to the Management Services Contract, the Manager must carry out its duties in a

conscientious and commercially reasonable manner.

The Manager will be responsible to pay its own internal costs, expenses and overhead relating to the provision of these services, including office expenses, rent, employee salaries and management financial services fees. In consideration of the management services provided under the Management Services Contract, the Corporation will pay the Manager a fee equal to 2.75% per annum of the Corporation's mortgages under management, which fee shall be paid to the Manager on a monthly basis and adjusted annually. The Manager will be paid an additional 1.25% per annum of the Corporation's mortgages under management, on a monthly basis and adjusted annually, if the Corporation meets or exceeds the Target Yields. The Manager will also be reimbursed upon approval by the Corporation for any reasonable out-of-pocket expenses incurred while performing its duties under the Management Services Agreement. See "ITEM 2.7 *Material Agreements – Management Services Agreements*". The Manager will be entitled to purchase Preferred Shares in lieu of all or any portion of its management fees from time to time.

The Corporation will be responsible for its own operating costs which would include accounting, legal, audit, referral and broker fees, fund raising, as well as travel, marketing, advertising, shareholder meeting and communication costs that relate specifically to the Corporation's business and its shareholders, and any other fees charged by partners, custodians, record keepers and transfer agents. In addition, the Corporation will be responsible for paying the costs, including legal fees and disbursements, for collecting or attempting to collect any amounts owing or in arrears on any of its mortgage investments sourced by the Manager, including foreclosure or other court proceedings.

The Management Services Contract is for a term of five years and will be automatically renewed for successive five year terms unless a notice of intention not to renew is given by either party at least 120 days before the end of the then applicable term. Notwithstanding the foregoing, either party may terminate the Management Services Contract upon 120 days' written notice to the other party for any reason whatsoever.

The Manager must render its services under the Management Services Contract honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Management Services Contract in a conscientious, reasonable and competent manner.

The Manager and its shareholders, directors, officers, agents and employees will have no liability in respect of any act or omission regarding, respecting or relating to the services, duties, and powers performed or to be delivered or performed by those pursuant to the Management Services Contract, except to the extent such act or omission constitutes gross negligence or willful misconduct. The indemnity survives the removal or resignation of the Manager in connection with any and all of its duties and obligations under the Management Services Contract and termination of the Management Services Contract.

The Corporation and its directors will have no liability in respect of any act or omission regarding any duties and powers to be performed by those pursuant to the Management Services Contract, except to the extent such act or omission constitutes negligence or fault of the Corporation, breach of the Management Services Contract by the Corporation or willful misconduct or gross negligence of the Manager's independent contractors. The indemnity survives the removal or resignation of the Manager in connection with any and all of its duties and obligations under the Management Services Contract and termination of the Management Services Contract.

2.3 Development of Business

As the Corporation has recently been incorporated, there have been no major events that have occurred or conditions that have influenced the development of the Corporation.

2.4 Long Term Objectives of the Corporation

The Corporation intends to generate income and produce positive returns for its shareholders while preserving capital by investing proceeds into a variety of individual mortgages secured by real property to earn interest, fees and in some circumstances capital gains. At all times, the Corporation intends to qualify as a MIC, as the term is defined in the Tax Act. As a MIC, the Corporation will act as a “flow-through” entity that distributes all net profits to its investors on an annual basis without paying income taxes thereon, pursuant to the Tax Act. Instead, distributions received by each investor are taxed on an individual basis as income to that investor. For more details, see “ITEM 6 - CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” below.

2.5 Short Term Objectives of the Corporation and Action Plan

The Corporation’s short term objectives include raising sufficient funds by completing this Offering and investing the funds principally in residential mortgages as an MIC while producing positive returns for its shareholders.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Raise sufficient funds by completing the Offering as contemplated by this Offering Memorandum	36 months	\$500,000 ⁽¹⁾
Cooperate with the Manager to find and engage desirable mortgage investment opportunities	36 months	\$50,000
Seek additional debt leverage as described in this Offering Memorandum	36 months	\$50,000

⁽¹⁾ **Note:** Assumes an illustrative maximum offering size of \$100 million, and based on that size the costs such as legal, accounting and audit costs are estimated at 0.5% of the total offering size. This amount does not include sales commission’s payable.

2.6 Insufficient Funds

There is no minimum offering size in this Offering. As such, funds available as a result of the Offering may not be sufficient to accomplish all of the Corporation’s proposed objectives and there is no assurance that alternative financing will be available. See “ITEM 8 - RISK FACTORS” below.

2.7 Material Agreements

The Corporation is currently a party to the following material agreements:

- (a) the Management Services Agreement; and
- (b) the Unanimous Shareholders’ Agreement;

Copies of these agreements may be inspected during regular business hours at the offices of the Corporation, as noted on the cover page of this Offering Memorandum. The key terms of these agreements are summarized in the following sections.

Management Services Agreement

Dr. Abraham King is a shareholder of the Manager and the Chief Executive Officer and director of the Corporation and therefore related parties to each other. Under the Management Services Agreement, the responsibilities of the Manager include the following:

- Holding all required registrations or licenses under applicable laws for the Corporation to conduct its business as proposed;
- identifying sources of financing to support the Corporation's business;
- providing ongoing input on developing credit/risk management policies and procedures on the operation of the Corporation's business;
- monitoring operations and results to ensure security (i.e. Land Registry) compliance with policies and procedures (e.g. collections and disbursements, property and title insurance coverage, etc.) on behalf of the Corporation;
- monitoring mortgage commitments and delinquency and, where necessary, enforcing legal remedies;
- analyzing loan applications and preparing reports for the Corporation's decision making process;
- marketing the services of the Corporation;
- coordinating the provision to the Corporation of audit, legal and shareholder communications and shareholder meeting materials;
- facilitating receipt of mortgage payments from borrowers and transferring of such payments to the Corporation;
- providing administrative support to the Corporation's sales team;
- originating and underwriting mortgages on behalf of the Corporation;
- coordinating closings of mortgages on behalf of the Corporation;
- coordinating with mortgage brokers to complete mortgage applications as required;
- obtaining and reviewing property appraisals for loan suitability;
- managing relations with and providing support to third party providers such as custodians, transfer agents, record keeping agents, and accounting and audit firms in the performance of their services to the Corporation;
- providing loan servicing duties;
- evaluating all loans to ensure compliance with applicable policies and processes;
- providing recommendations to the Corporation on any of its operations for improvement; and
- any other services that may be requested by the Corporation, subject to prior agreement with the Manager.

The Management Services Agreement has an initial term ending five years, and may be renewed for successive five year terms thereafter. Either party has the option of not renewing the agreement by providing no less than 120 days written notice to the other party. The Management Services Agreement may be terminated: (a) upon the Manager ceasing to carry on business, becoming bankrupt or insolvent, resolving to wind up or liquidate or if a receiver over any of its assets is appointed; (b) upon the Manager ceasing to hold the required registrations under applicable securities legislation after a reasonable period to remediate; (c) if the Manager is found by a court of competent jurisdiction to have been guilty of bad faith, willful misfeasance, gross negligence or reckless disregard of its obligations and duties; (d) where the Manager is in material breach of the Management Services Agreement, unless the breach is remedied within the prescribed period after notice of the breach has been given; (e) where the Corporation fails to pay the fees and expenses for the Manager's services in accordance with the Management Services Agreement; or (f) by mutual consent of the parties. The Management Services Agreement may not be assigned except

by consent of both parties.

As compensation for the services to be provided by the Manager to the Corporation, the Manager will receive an annual management fee of 2.75% of the value of the Corporation's mortgage portfolio calculated on a monthly basis in arrears plus applicable taxes, plus, if Target Yields are achieved a 1.25% bonus on the value of the Corporation's mortgage portfolio. Pursuant to the Management Services Agreement, the Corporation shall reimburse the Manager for all reasonable out-of-pocket costs and expenses incurred by the Manager in connection with the provision of the Manager's services, as such costs have been generally approved by the Board.

The Manager must render its services under the Management Services Agreement honestly and in good faith in a conscientious and reasonable manner and must exercise the care, diligence and skill of a reasonably prudent and qualified manager.

The liability of the Corporation pursuant to the Management Services Agreement is limited such that the Manager agrees that it shall only look to the Corporation's property and assets for satisfaction of any claims arising out of or in connection with such agreement. Also, except as otherwise provided in the Management Services Agreement, or for any material breach or default of the obligations of the Manager thereunder, neither the Corporation, the Manager, nor any of its directors, officers, employees, consultants or agents shall be subject to any liability whatsoever, in tort, contract, or otherwise, in connection with the affairs of the Corporation, including, without limitation, in respect of any loss or diminution in value of any of the Corporation's property or assets. The Corporation shall be solely liable therefore and resort shall be had solely to the Corporation's property or assets for the payment or performance thereof.

Pursuant to, and in accordance with, the terms of the Management Services Agreement, the Corporation shall fully indemnify, to the maximum extent permitted by law, the Manager and its directors, officers, shareholders, consultants, agents and employees, from and against any and all expenses, losses, claims, damages or liabilities, including reasonable attorney's fees, insofar as such expenses, losses, claims, damages or liabilities arising as a result of the Manager's performance hereunder unless such expenses, losses, claims, damages or liabilities arise from the gross negligence or willful misconduct of the Manager or the Manager's contractors.

The Manager shall fully indemnify, to the maximum extent permitted by law, the Corporation and its director, officers, shareholders, employees, consultants and agents from and against any and all expenses, losses, claims, damages or liabilities, including reasonable attorney's fees, insofar as such expenses, losses, claims, damages or liabilities arising as a result of the provision by the Manager of the services described in the Management Services Agreement, whether performed by the Manager's employees or contractors acting at the direction of the Manager, and do not result from the negligence or fault of the Corporation, the breach by the Corporation of the Management Services Agreement or gross negligence or willful misconduct of the Manager's contractors.

Unanimous Shareholders' Agreement

All shareholders of the Corporation are parties to a Unanimous Shareholders' Agreement dated January 8, 2021 (the "**Unanimous Shareholders' Agreement**"), which sets rights and limitations of holders of Common Shares and Preferred Shares as well as other corporate governance matters.

The Unanimous Shareholders' Agreement, together with the Management Services Agreement, sets forth the manner in which certain of the affairs of the Corporation shall be conducted and governs matters related to Common Shares and Preferred Shares of the Corporation. The agreements provide that the Board shall consist of three (3) directors and that the holders of Common Shares shall vote their Common Shares in favour of the election of their nominee, together with the Manager's two nominees to the Corporation's board of directors.

Pursuant to the Unanimous Shareholders' Agreement, the voting Shareholders have agreed to accept the Manager's nominees and to elect from such persons a majority of the directors of the Corporation. Dr. Abraham King and Fathi Salha are the initial nominees of the Manager. The voting Shareholders have also agreed to elect Sylvia Garuba as the Shareholders' initial nominee.

The Unanimous Shareholders' Agreement provides that certain fundamental matters, such as amendments to the Corporation's articles or by-laws, the issuance or transfer of Common Shares (other than as provided for in the Unanimous Shareholders' Agreement), the winding-up, dissolution or termination of the Corporation and any material change in the business of the Corporation, must be approved by 66 $\frac{2}{3}$ % of the Shareholders, and where pursuant to applicable law the holders of the Preferred Shares are entitled to vote on any matter they shall be deemed to vote as a single class. By executing and delivering the Subscription Agreement and the Adherence Certificate attached to the Subscription Agreement, an investor shall be deemed a party to the Unanimous Shareholders' Agreement. The foregoing summary of the Unanimous Shareholders' Agreement is qualified in its entirety by the text of the Unanimous Shareholders' Agreement, a copy of which is available for review at the Corporation's head office.

Coronavirus Effects and Response

Early in March 2020, the World Health Organization designated the outbreak of the novel coronavirus disease, otherwise known as COVID-19, as a global pandemic. In the following weeks, this unforeseen global event has grown into a significant health crisis, one that is already disrupting business operations and affecting trade and profits across multiple sectors. The impact of COVID-19 and measures to prevent its spread are affecting businesses locally, regionally, nationally and internationally, in a number of ways, including, without limitation, temporary business closures, surging unemployment, supply chain disruptions and currency and commodity volatility.

The Corporation's management is monitoring the impact of COVID-19 on the residential real estate market including its impact on interest rates and delinquency rates on mortgage loans. In addition, management is monitoring the various federal, provincial and city initiatives supporting those persons who cannot meet their borrowing obligations.

From an operational point of view, the Corporation is taking measures to restrict any spread of COVID-19 in its office environment by, among other things, implementing strict cleanliness standards. See "ITEM 8 - RISK FACTORS".

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

The following table sets out ownership interests in the Corporation of and the anticipated compensation payable to each of the Corporation's directors, officers and promoters. The table also discloses all shareholders who, directly or indirectly, beneficially owns or controls 10% or more of any class of the Corporation's voting securities (a "Principal Holder").

Name & Municipality of Principal Residence	Positions Held & Date Appointed ³	Anticipated Compensation for current financial year ²	Number, type and percentage of securities of the Corporation held after completion of the Minimum Offering ^{1, 4}	Number, type and percentage of securities of the Corporation held after completion of the Maximum Offering
Dr. Abraham King, Mississauga, Ontario	Chief Executive Officer and Director of the Corporation since incorporation President, Chief Executive Officer and Director of the Manager since 2015	2021 (est) - \$ --	25 Common Shares (25%)	25 Common Shares (25%)
Fathi Salha Toronto, Ontario	Chief Financial Officer and Director of the Corporation since incorporation	2021 (est) - \$ --	--	--
Paul Sodhi Mississauga, Ontario	Vice-President of the Corporation since incorporation	2021 (est) - \$ --	--	--
Sylvia Garuba Ottawa, Ontario	Secretary and Director of the Corporation since incorporation	2021 (est) - \$ --	15 Common Shares (15%)	15 Common Shares (15%)
Frank Akujobi Ottawa, Ontario	--	2021 (est) - \$ --	15 Common Shares (15%)	15 Common Shares (15%)
Kola Olawunmi Oakville, Ontario	--	2021 (est) - \$ --	15 Common Shares (15%)	15 Common Shares (15%)
Segun Oloketuyi	--	2021 (est) - \$ --	15 Common	15 Common

Oakville, Ontario			Shares (15%)	Shares (15%)
Iheanyi Kennedy Nzekwe	--	2021 (est) - \$ --	15 Common Shares (15%)	15 Common Shares (15%)
Mississauga, Ontario				

Notes:

- (1) There is no minimum offering size in this Offering.
- (2) The Manager is entirely responsible for the compensation of the Manager's directors, officers and employees out of its management fee. The Corporation has not yet completed a full financial year. Accordingly, only the anticipated compensation for the current financial year has been provided and on the assumption that the Offering is fully subscribed. The Corporation's directors will be entitled to a director's fee equal to \$6,000 per annum pursuant to a retention agreement.
- (3) Dr. Abraham King is a shareholder, director and officer of the Manager. As such, the Manager is a related party to the Corporation.
- (4) Certain related parties have delivered subscription agreement for Preferred Shares which the Corporation intends to accept at the first closing of the Offering. See ITEM 3.4 – "*Related Party Subscriptions*".

3.1 Management Experience

The principal occupations of the Corporation's directors and executive officers over the past five years and any relevant experience and education are set out in the following table:

Name & Position	Principal Occupation for last five years and Related Business Experience
Dr. Abraham King <i>Chief Executive Officer and Director</i>	<p>Dr. King holds a doctorate degree in Business Administration along with the Project Management Professional (PMP) Certification. With over 25 years' of experience in financial services, Real Estate Investing, along with strategic and tactical management roles, he has been an asset around the world. Dr. King has worked in Africa, United Kingdom, United States, and in Canada.</p> <p>Prior to attaining his PHD in 2001, he obtained a B.SC and an MBA degree. He also completed programs such as the Canadian investment funds course, Life Insurance Licensing Qualification Programs and the Exempt Market Proficiency Course.</p> <p>Dr. King is a licensed Financial Advisor with investment banking core competencies and proficiency in FX trading, derivatives, fund analytics and risk management. In addition to these disciplines, he has considerable experience in a wide range of functions which includes business process improvement, product development, private equity transactions, and mergers and acquisitions.</p> <p>He is currently the Principal Broker with The Mortgage Centre – Valuesky Mortgages— which has originated over \$1 billion in mortgages since</p>

	<p>inception.</p> <p>Over the past 5 years, Dr. King has been the Chief Executive Officer of Sagewise Capital and a Financial Advisor of Sagewise Financial Inc.</p> <p>Prior to founding Sagewise, Dr. King worked with Investors Group and UBA Bank in New York. During his banking career, he worked within the field of investment banking and was directly responsible for the firm's European and African operations where he analyzed financial performance of private equity fund holdings in emerging markets. Dr. King also assisted with project planning and budgeting for various projects across Africa, including working with a number of national governments and United Nation Agencies such as UNDP and IFC.</p> <p>Dr. King is on the board of the Canadian Institute of Leadership and Development as Executive Vice President. He is also a member of the Institute of Directors, London and the American Management Association.</p>
<p>Fathi Salha CPA, CA <i>Chief Financial Officer and Director</i></p>	<p>Mr. Salha is a Chartered Professional Accountant and Licensed Public Accountant from CPA Ontario (CPA, CA, LPA).</p> <p>In addition to a Master of Commerce degree, he is also a Certified Public Accountant from Washington state University, USA (CPA).</p> <p>Mr. Salha has collective experience of over 20 years in accounting, including leadership roles in accounting firms such as PwC, KPMG and BDO.</p> <p>Mr. Salha has diversified audit experience in a variety of industries including insurance, manufacturing, trading, construction & real estate, investment & asset management, oil & gas, service and non-for-profit organizations. Furthermore, he has experience in transaction advisory services including due diligence, pro forma financials and agreed-upon procedures. His skill set includes, among others, significant knowledge of IFRS/ ASPE & ISA/ CAS, implementation of financial & operational policies and procedures, advising entities on improving efficiency and effectiveness in transaction processing, close/consolidation, budgeting/forecasting and internal/external reporting. In addition to being responsible for managing a large portfolio of audit and non-audit clients, Mr. Salha also participates in the firm responsibilities of risk & independence management and quality control assurance. He has also provided external and internal trainings/seminars on IFRS and ISA.</p>
<p>Paul Sodhi <i>Vice-President</i></p>	<p>Mr. Sodhi is a dynamic operations leader with proven strengths in areas of mortgage brokerage, strategic planning, operations, and communication. He is recognized for the ability to drive growth, build teams and communication amongst diverse groups. He is a successful</p>

	<p>change-agent, open minded, energetic and visionary, able to support differences while maintaining healthy and positive work environments.</p> <p>In addition to the diversified responsibilities of managing a property developing company, he has been involved in investor financings including retirement homes, seniors housing, medical home and real estate investment trusts.</p> <p>Mr. Sodhi is a seasoned banker with a career of over 14 years spanning TDCT, RBC and BMO. He is currently a licensed mortgage advisor for over 9 years.</p> <p>Over the past five years, Mr. Sodhi has been the Chief Executive Officer of Sodhi Developments Inc.</p> <p>Mr. Sodhi holds a diploma in Pharmaceutical Bioengineering. He also holds a financial institution designation of “Specialist in Financial Counselling” (SFC).</p>
<p>Sylvia Garuba <i>Secretary and Director</i></p>	<p>Ms. Garuba holds a Bachelor of Laws degree and Barrister at law designation. She is a chartered mediator and conciliator.</p> <p>Ms. Garuba spent over 30 years in legal practice and consultancy, skilled in the negotiation, structuring and drafting of complex commercial and contract transactions within the energy, oil and gas industry and real estate development and management.</p> <p>Ms. Garuba started her career in legal practice in 1984 as a senior state counsel before moving into the energy, oil and gas industry as a legal adviser and company secretary. She later joined a law firm and within a year, restructured the client base of the firm and tripled its revenue. She handled various residential and commercial real estate development, leasing and management projects among others.</p> <p>Ms. Garuba worked as a legal liaison for the West African operations for CPCS Transcom Limited, a transportation advisory and consultancy outfit based in Ottawa from 2000-2003.</p> <p>Ms. Garuba also sits on the board of various NGOs on an advisory and consultancy basis. Ms. Garuba is currently the African Missions representative for RCCG Canada, a not-for-profit religious organization in charge of social and basic amenities provision in rural African countries (2012-present). In addition, she manages a family-owned real estate suites and legal consultancy.</p>

3.2 Penalties, Sanctions and Bankruptcy

None of the Corporation’s directors, executive officers or control persons has been at any time during the last 10 years subject to:

- (a) any penalty or sanction;

- (b) any cease trade order in effect for more than 30 consecutive days; or
- (c) the subject of any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or receiver, receiver manager or trustee to hold assets;

None of the Corporation's directors, executive officers or control persons have been a director, executive officer or control person of an issuer during the last 10 years that has been subject to:

- (a) any penalty or sanction;
- (b) any cease trade order in effect for more than 30 consecutive days; or
- (c) the subject of any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or receiver, receiver manager or trustee to hold assets;

3.3 Loans

No directors, executive officers, promoters or Principal Holders owe any outstanding debt to or from the Corporation as at the date of this Offering Memorandum.

3.4 Related Party Subscriptions

The following table lists certain related parties and holders of Common Shares that have delivered subscription agreements for Class B Preferred Shares to the Corporation and their respective subscription amounts, which the Corporation intends to accept on or prior to the first closing as contemplated by this Offering Memorandum:

Name of Subscriber	Number of Class B Preferred Shares Subscribed
Sagewise Capital Corporation, as Manager	\$250,000 ⁽¹⁾
Sylvia Garuba	\$250,000
Frank Akujobi investing through Frankware Inc.	\$250,000
Segun Oloketuyi investing through McKlaption Inc.	\$250,000
Iheanyi Kennedy Nzekwe investing through Embadu Inc.	\$250,000
Kola Olawunmi investing through Apet Canada Inc	\$250,000
Abraham King investing through Pentium Capital Inc.	\$1,000,000

⁽¹⁾ **Note:** The Manager is accepting Class B Preferred Shares in lieu of cash in respect of the initial fee payable to the Manager under the Management Services Agreement.

ITEM 4 - CAPITAL STRUCTURE

4.1 Share Capital

As at the date of this Offering Memorandum, the chart below sets out the issued and outstanding shares in the Corporation's capital stock.

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at the date of this Offering Memorandum	Number outstanding after Minimum Offering ^{(1),(2)}	Number outstanding after Maximum Offering ⁽¹⁾
Common Shares	Unlimited	\$1.00	100	100	100
Class A Preferred Shares	Unlimited	\$10.00	--	--	--
Class B Preferred Shares	Unlimited	\$10.00	--	--	--

Notes:

⁽¹⁾ There is no minimum offering size to this Offering. There is no maximum offering size to this Offering.

⁽²⁾ As subscribers will elect which class of Preferred Share will be subscribed for at each closing, and the Corporation has not sought to limit the number of shares issuable per class of Preferred Share, it cannot determine the share allocation at this time.

4.2 Short-term and Long-term Debt

The Corporation has no outstanding short-term or long-term indebtedness.

4.3 Prior Sales

The Corporation has not issued any Preferred Shares as of the date of this Offering Memorandum.

ITEM 5 - DESCRIPTION OF THE OFFERED SHARES

The Corporation is offering two classes of Preferred Shares, the Class A Preferred Shares and the Class B Preferred Shares, for a subscription price of \$10.00 per Preferred Share.

A description of the material terms of the Preferred Shares are as follows:

5.1 Ranking

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of Preferred Shares shall be entitled to receive, subject to the prior rights of holders of any shares ranking senior to them, an amount equal to the Redemption Price plus all declared and unpaid dividends before any amount shall be paid or any property or assets of the Corporation are distributed to the holders of Common Shares. For clarity, all classes of Preferred Shares shall rank equally with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up. After payment to the holders of Preferred Shares of the amount so payable to them, they shall

not be entitled to share in any further distribution of the assets of the Corporation. If there are insufficient amounts to pay to the holders of Preferred Shares the full amount which they are entitled to receive on the distribution of the assets of the Corporation, all such holders shall share in the distribution on a pro rata basis in proportion to the aggregate amount due to each of them.

5.2 Non-Voting

Pursuant to the Articles, and except as provided for under the Act, holders of Preferred Shares are not entitled to vote on matters to be voted on at meetings of Shareholders.

5.3 Transfer Rights

The Unanimous Shareholders' Agreement prohibits the transfer of Preferred Shares without the consent of the majority of the directors of the Corporation, expressed by a resolution passed by the Board. A tender of Preferred Shares to the Corporation for redemption or retraction is not considered a transfer for purposes of the Articles.

5.4 Dividend Policy

If dividends are declared, they will be systematically paid to shareholders of record during the period as at the first Business Day in each month (the "**Record Date**") though the date of payment may be deferred at the discretion of the Board. Unless the investor elects otherwise, all declared dividends will be paid to each shareholder as at the Record Date in cash.

Dividend rates shall be set monthly and may be fixed or varied at any time at the discretion of the Board, however there is no guarantee that dividends payable to shareholders will be declared. The Corporation reserves the right to change the Target Yields (as defined below), upon approval by the Board without notice to the holders of Preferred Shares. The Board may declare dividends on any class or classes of Preferred Shares to the exclusion of any other class or classes of shares of the Corporation other than the Preferred Shares.

In respect of the Class A Preferred Shares, the Corporation's objective is to make monthly non-cumulative dividend payments with a target yield of 5.5% per annum (the "**Class A Target Yield**"). The holders of such shares shall be entitled to receive, in priority to the Common Shares and all other shares ranking junior to Class A Preferred Shares with respect to priority in the payment of dividends, dividends if as and when declared by the Board. In respect of the Class B Preferred Shares, the Corporation's objective is to make monthly non-cumulative dividend payments at a target rate of 9% per annum (the "**Class B Target Yield**", together with the Class A Target Yield, the "**Target Yields**"). The holders of such shares shall be entitled to receive, in priority to the Common Shares and all other shares ranking junior to Class B Preferred Shares with respect to priority in the payment of dividends, dividends if as and when declared by the Board. For clarity, the Class A Preferred Shares and Class B Preferred Shares are deemed to be equal in terms of priority of distributions. The Board of Directors reserves the right to change the Class A Target Yield and/or the Class B Target Yield at any time and from time to time in its sole discretion.

The Corporation has adopted a DRIP which shall be a "Plan" as that term is understood for the purposes of section 2.18(2.2) of NI 45-106. Pursuant to the terms of the DRIP, holders of Preferred Shares will be entitled to elect to have any and all dividends declared by the Board reinvested to purchase additional Preferred Shares of the same class in accordance with the terms of the DRIP. The Corporation reserves the right to amend or cancel the DRIP at any time.

5.5 Redemption and Retraction Rights

Each holder of Preferred Shares shall have the option to sell all or a portion of such holder's Preferred Shares to the Corporation (the "**Retraction Right**") at the Redemption Price less an early redemption charge if the Retraction Right is exercised within a certain number of years after the date that the Preferred Shares were issued to the holder (the "**Issuance Date**"). The early redemption charges will be prescribed according to the following schedule:

# of Years After Issuance Date	Class A Preferred Shares	Class B Preferred Shares
<1	3%	3%
1-2	2%	2%
2-3	1%	1%
3+	0%	0%

In order to exercise a Retraction Right, the holder of Preferred Shares must provide the Corporation with written notice (the "**Retraction Notice**") and attach the certificate(s) for the Preferred Shares in respect of which the holder thereof wishes to exercise the Retraction Right. Subject to applicable laws, the Corporation shall pay or cause to be paid the Redemption Price, less any applicable early redemption charge, and provide any required share certificate(s) within six (6) months of receiving the notice.

Immediately after providing the Retraction Notice to the Corporation, the holder shall not be entitled to exercise any rights attached to the Preferred Shares that are the subject of the Retraction Notice other than to receive the Redemption Price owed in satisfaction of the exercised Retraction Right.

The Corporation reserves the right to reject or suspend the exercise of any Retraction Rights if the granting of such an exercise would disqualify the Corporation as an MIC or otherwise violate the provisions of the Act or the Tax Act. The Corporation may also reject or suspend any Retraction Rights if, in the Board's reasonable opinion, the exercise of such Retraction Rights would be materially prejudicial to the interests of the Corporation as a whole. If a Retraction Right is suspended by the Corporation after a Retraction Notice is provided to the Corporation, the affected holder may reinstate all rights attached to the Preferred Shares that are the subject of the Retraction Notice by withdrawing the Retraction Notice. If such Retraction Notice is not withdrawn, the Corporation shall purchase the Preferred Shares that are subject to the Retraction Notice as soon as the suspension is withdrawn by the Board and/or it is legally able to exercise the Retraction Right without impairing the Corporation's MIC status.

If, in accordance with the foregoing criteria, only a portion of the Preferred Shares that are subject to a Retraction Notice may be retracted without rejection or suspension of the Retraction Right, such Preferred Shares shall be retracted in the order in which Retraction Notices are received, as determined by the Corporation. The Corporation will promptly notify holders of Preferred Shares if their request for retraction is rejected or suspended.

5.6 Redemption by the Corporation

The Corporation may redeem all or any part of any outstanding Preferred Shares upon receiving written consent from all the holders of the class of Preferred Shares being redeemed or upon giving

notice to the holders thereof, as may be required, and upon payment for each Preferred Share at the Redemption Price. If consent is not obtained from all holders of such class of Preferred Shares, the Corporation may provide at least thirty (30) days written notice of the redemption (the “**Redemption Notice**”), pursuant to the Act, to each holder of the class of Preferred Shares. The Redemption Notice shall indicate the Redemption Price, the effective redemption time and date and the number of Preferred Shares to be redeemed by the Corporation.

Immediately after the effective redemption time designated in the Redemption Notice, the Preferred Shares subject to the Redemption Notice shall cease to be entitled to any shareholder rights unless payment of the Redemption Price pursuant to the Redemption Notice is conditional on the presentation of certificates of such Preferred Shares.

If a portion of the outstanding Preferred Shares are to be redeemed, the Preferred Shares to be redeemed shall be selected by the Board in their sole discretion. For clarity, the Board may choose to redeem all or any part of the Preferred Shares held by a particular holder or holders of Preferred Shares or may redeem Preferred Shares held by some of all holders thereof in disproportionate amounts.

5.7 Allocation of Funds from Preferred Share Issuances

Funds raised from the issuance of Class A Preferred Shares shall be invested in loans secured by first or second charge mortgages on the underlying real property. Funds raised from the issue of Class B Preferred Shares shall be invested in accordance with the Corporation’s general investment criteria and is expected to be in second and third mortgages as well as other non-traditional type loans. The goal of these mandates is to provide potential investors a choice of trade-off between lower investment risk with the Class A Preferred Shares and higher target yield with the Class B Preferred Shares for the commensurate increase in potential risk.

5.8 Constraints on Transferability

Pursuant to the Unanimous Shareholders’ Agreement, no shares of the Corporation shall be transferred without the consent of the majority of the Board.

Paragraph 130.1(6)(d) of the Tax Act stipulates that to qualify as a MIC, a corporation must have at least 20 shareholders and no one shareholder may be a specified shareholder, as such term is defined in subsection 130.1(6) of the Tax Act, of the Corporation. The Tax Act states that a trust governed by a registered pension plan or a deferred profit-sharing plan is counted as four shareholders for purposes of determining the number of shareholders and one shareholder for purposes of determining if a shareholder is a “specified shareholder”. The Board intends to refuse registration of an allotment or any transfer of shares which would result in the Corporation ceasing to meet the qualifications of a MIC.

5.9 Subscription Procedure

The Corporation has entered into exempt market distribution agreements with certain registered dealers to sell these Preferred Shares. In order to purchase the Preferred Shares, purchasers will need to submit the following:

- (a) a complete and executed Subscription Agreement, and all schedules attached thereto, in the form accompanying this Offering Memorandum to the Corporation; and
- (b) a certified cheque or bank draft payable to “Sagewise Mortgage Investment

Corporation, in trust” or by wire transfer to the trust account designated by the Corporation as instructed in the Subscription Agreement or to any other designated account or financial institution as prescribed by the Corporation.

Subject to applicable securities laws, the Corporation reserves the right to reject or accept, in whole or in part, any subscription and to close the subscription books at any time without notice. All subscription funds will be held in trust by the Corporation for at least two Business Days after receipt and any subscription funds for rejected subscriptions will be returned promptly without interest. Once the subscription is accepted by the Corporation, it is irrevocable by the Investor.

ITEM 6 - CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder who acquires Preferred Shares pursuant to the Offering. This summary is only applicable to such a holder who, for purposes of the Tax Act and at all relevant times, is resident, or is deemed to be resident, in Canada, holds any Preferred Shares as capital property and deals at arm’s length, and is not affiliated, with the Corporation (a “**Holder**”). Generally, Preferred Shares will be considered to be capital property to a Holder provided that the Holder does not hold the Preferred Shares in the course of carrying on a business of trading or dealing in securities and has not acquired the Preferred Shares in one or more transactions considered to be an adventure in the nature of trade.

Certain Holders who might not otherwise be considered to hold their Preferred Shares as capital property may, in certain circumstances, be entitled to have the Preferred Shares, and all other “Canadian securities” (as defined in the Tax Act) owned or subsequently acquired by such Holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors as to whether such election is available and advisable, having regard to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a “financial institution”, as defined in the Tax Act for the purposes of the mark-to-market rules; (ii) an interest in which is or would be a “tax shelter investment” as defined in the Tax Act; (iii) that is a “specified financial institution” as defined in the Tax Act; (iv) who reports its Canadian tax results in a “functional currency” (which excludes Canadian dollars); or (v) that enters into a “derivative forward agreement” or a “synthetic disposition arrangement” in respect of the Preferred Shares, as defined in the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Preferred Shares. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Preferred Shares.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), taking into account all proposed amendments to the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the “**Tax Proposals**”), and Counsel’s understanding of the current administrative practices and assessing policies of the CRA published in writing by it prior to the date hereof. This summary assumes that the Tax Proposals will be enacted in the form proposed; however, no assurance can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not otherwise take into account or anticipate any changes in the law, whether by way of legislative, governmental or judicial decision or action, or in the administrative practices or assessing policies of the CRA, nor does it take into account other federal or any provincial, territorial or foreign tax laws or considerations, which may differ significantly from the tax considerations described herein. **The income and other tax consequences of acquiring, holding or disposing of Preferred Shares will vary depending on the particular circumstances of the Holder thereof, including any province or territory in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be,**

nor should it be construed to be, legal or tax advice to any particular Holder or prospective Holder, and no representations with respect to the income tax consequences to any Holder or prospective Holder are made. Consequently, Holders and prospective Holders should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Preferred Shares pursuant to the Offering having regard to their particular circumstances.

6.1 Status of the Corporation

The Corporation intends to qualify as a MIC throughout its current taxation year and for all of its future taxation years. This summary assumes that the Corporation will qualify as a MIC at all relevant times. The tax treatment to a Holder would be materially different than as described in this summary in the event that the Corporation does not qualify as a MIC. Counsel expresses no opinion as to the status of the Corporation as a MIC. In order to qualify as a MIC for a taxation year, a Corporation must have met all of the following criteria throughout that taxation year:

- (a) The Corporation was a Canadian corporation as defined under the Tax Act.
- (b) The Corporation's only undertaking was the investing of its funds and it did not manage or develop any real or immovable property.
- (c) The Corporation did not:
 - (A) hold any debts owing to the Corporation that were secured on real or immovable property situated outside Canada;
 - (B) hold any debts owing to the Corporation by non-resident persons, except any such debts that were secured on real or immovable property situated in Canada;
 - (C) own any shares of the capital stock of corporations not resident in Canada; or
 - (D) hold any real or immovable property situated outside of Canada, or any leasehold interests in such property.
- (d) The cost amount of the Corporation's property consisting of debts owing to the Corporation that were secured (whether by mortgages, hypothecs or in any other manner) on houses (as defined in section 2 of the *National Housing Act* (Canada)) or on property included within a housing project (as defined in that section as it read on June 16, 1999), together with any money of the Corporation and deposits with a bank or any other corporation any of whose deposits are insured by the Canada Deposit Insurance Corporation, Régie de l'assurance-dépôts du Québec or with a credit union (collectively, the "**Qualifying Property**") was at least 50% of the cost amount to it of all of its property;
- (e) the cost amount of real or immovable property (including leasehold interests therein but excluding real or immovable property acquired as a consequence of foreclosure or defaults on a mortgage, hypothec or agreement of sale of real or immovable property held by the Corporation) owned by the Corporation did not exceed 25% of the cost amount to it of all of its property;
- (f) the Corporation had at least 20 shareholders and no person was a "specified shareholder", (as defined in subsection 130.1(6) of the Tax Act), generally meaning

that no shareholder (or related person as such term is defined in the Tax Act) owned, directly or indirectly, more than 25% of the shares of any class of the Corporation at any time in the taxation year;

- (g) holders of preferred shares of the Corporation had a right, after payment to them of their preferred dividends, and payment of dividends in a like amount per share to the holders of the Common Shares, to participate *pari passu* with the holders of Common Shares in any further payment of dividends;
- (h) where at any time in the year the cost amount to the Corporation of its Qualifying Property as defined in (d) above was less than two-thirds of the cost amount to it of all of its property, the Corporation's liabilities did not exceed three times the amount by which the cost amount to it of all of its property exceeded its liabilities;
- (i) where the requirement in (h) is not met and the cost amount of the Corporation's Qualifying Property was equal to or greater than two-thirds of the cost amount of all its property, the Corporation's liabilities did not exceed five times the amount by which the cost amount to it of all its property exceeded its liabilities.

If the Corporation were at any time to cease to qualify as a MIC, the income tax considerations would be materially different from those described below.

With respect to requirement (f) above, "related person" includes a corporation and the person or persons that control that corporation, a parent corporation and its subsidiary corporation(s), and an individual and that individual's spouse, common law partner or child under 18 years of age. The rules in the Tax Act defining "related persons" are complex and holders should consult with their own tax advisors in this regard.

6.2 Taxation of the Corporation

The Corporation will be considered to be a "public corporation" on the basis that it qualifies as a MIC. Consequently, the Corporation is subject to taxation at full general corporate income tax rates on its taxable income. Despite being subject to such taxation, the Tax Act allows MICs, for each taxation year, to deduct (a) all taxable dividends (other than capital gains dividends) paid during the year or within 90 days after the end of the year to the extent that such dividends were not deductible by the Corporation in computing its income for the preceding year; and (b) one-half of all capital gains dividends distributed to its shareholders during the period between the date that is 91 days after commencement of the year and 90 days after the end of the year. The Corporation must elect to have the full amount of a dividend qualify as a capital gains dividend.

The Corporation intends to declare dividends each year in sufficient amounts to reduce its taxable income to nil and to elect to have dividends treated as capital gains dividends to the maximum extent allowable. To the extent that it does not do so, the Corporation will be taxed at the highest corporate rates. Counsel can provide no assurance in this regard.

6.3 Taxation of Shareholders

Dividends

Taxable dividends, except capital gains dividends, received by a Holder (whether paid in cash or reinvested in Preferred Shares) will be taxable as interest income and will thus need to be included in their income for income tax purposes. The provisions of the Tax Act providing for the gross-up

and dividend tax credit in respect of taxable dividends received by individuals from taxable Canadian corporations, and for the deduction generally available to corporations for inter-corporate dividends received, will not apply in respect of taxable dividends paid by the Corporation. Similarly, the provisions of Part IV of the Tax Act will not be applicable to the receipt of taxable dividends by a corporate Holder.

Capital gains dividends received by a Holder (whether paid in cash or reinvested in Preferred Shares) are treated as capital gains of the Holder from the disposition of capital property in the year in which the dividend is received, one-half of which is to be treated as taxable capital gains.

Any dividends reinvested in additional Preferred Shares will be valued at the cost amount of such Preferred Shares. The adjusted cost base of a Holder's Preferred Shares will be the average of all cost amounts of Preferred Shares owned by that Holder.

If the Corporation adopts a distribution policy of paying equal monthly distributions to shareholders of record on the last Business Day of each month, Holders must pay tax on the entire dividend if they acquire the Preferred Shares late in the month but prior to the payment of the dividend.

Dispositions

Generally a Holder will realize a capital gain (or sustain a capital loss) equal to the amount of proceeds received, or deemed to have been received, on disposition of a Preferred Share in excess (or in deficit of) the adjusted cost base of the Preferred Share, including reasonable disposition costs if applicable.

A Holder should generally include in or deducts from the Holder's income for the year, one-half of a capital gain or capital loss realized, respectively, on the disposition of Preferred Shares that same year. Allowable capital losses in excess of taxable capital gains in a particular year may, in general, be carried back three taxation years or forward indefinitely and deducted against taxable capital gains, subject to the detailed rules in the Tax Act. On a redemption or acquisition of Preferred Shares by the Corporation, the Holder will generally be deemed to have received, and the Corporation will be deemed to have paid, a dividend in an amount equal to the amount by which the redemption price exceeds the paid-up capital of the Preferred Shares. This deemed dividend will be treated in the same manner as other dividends received by the Holder from the Corporation, and will depend on whether the Corporation elects that the entire dividend be a capital gains dividend. The balance of the redemption price will constitute proceeds of disposition of the Preferred Shares for purposes of the capital gains rules.

Refundable Tax on Certain Corporations

A "Canadian-controlled private corporation" (as defined in the Tax Act) that disposes of Preferred Shares may be liable to pay an additional tax, a portion of which is refundable, on certain investment income for the year, including amounts in respect of dividends included in income as interest, as described above, and taxable capital gains.

Alternative Minimum Tax

In general terms, net income of the Corporation, paid or payable, or deemed to be paid or payable, to a Holder of Preferred Shares who is an individual or trust (other than certain specified trusts), and that is designated as capital gains dividends, and capital gains realized on the disposition of Preferred Shares by the Holder may increase the Holder's liability for alternative minimum tax.

6.4 Eligibility for Investment

Eligibility for Investment

In the opinion of Counsel, based on the provisions of the Tax Act in force as of the date hereof and subject to the qualifications and assumptions discussed under “Canadian Federal Income Tax Considerations”, the Preferred Shares will be qualified investments under the Tax Act for trusts governed by Registered Plans and DPSPs if the Corporation qualifies as a MIC throughout a taxation year and further provided that at any time in the relevant calendar year, the Corporation does not hold any indebtedness, whether by way of mortgage or otherwise, of a person who is an annuitant, a beneficiary, an employer, or a subscriber under, or a holder of, the Registered Plan or DPSP, or of any other person who does not deal at arm’s length with that person.

Notwithstanding that the Preferred Shares may be a qualified investment for a Registered Plan, the holder, annuitant or subscriber thereof, as the case may be, which acquires Preferred Shares will be subject to a penalty tax under the Tax Act if such Preferred Shares are a “prohibited investment” (within the meaning of the Tax Act) for the particular Registered Plan. Preferred Shares will generally be a prohibited investment for a Registered Plan if the holder, annuitant or subscriber thereof, as applicable, does not deal at arm’s length with the Corporation for purposes of the Tax Act or has a “significant interest” (within the meaning of the Tax Act) in the Corporation. A “significant interest” of a shareholder of the Corporation generally means ownership by the shareholder, either alone or together with persons with which the shareholder does not deal at arm’s length for purposes of the Tax Act, of 10% or more of the issued shares of any class of the capital stock of the Corporation. In addition, the Preferred Shares will not be a prohibited investment if they are “excluded property” as defined in the Tax Act for trusts governed by a Registered Plan. **Prospective purchasers who intend to hold Preferred Shares in trusts governed by such Registered Plans should consult their own tax advisors regarding the application of the “prohibited investment” rules having regard to their personal circumstances.**

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

Subject to applicable securities laws, the corporation may pay cash commissions or referral fees to EMDs that successfully refer Investors to the Corporation. The Corporation may engage EMDs to facilitate the sale of Preferred Shares pursuant to this Offering as required from time to time. A maximum of up to 4% of gross proceeds of the Offering may be paid to applicable EMDs for such referrals and will be paid out of the gross proceeds of the Offering, and a 1% per annum trailing fee may also be payable to certain EMDs as additional fees. Such fees payable to EMDs will be paid by the Corporation or by the Manager and reimbursed by the Corporation. Under no circumstances will a commission or referral fee be paid under any type of DRIP or periodic reinvestment plan.

ITEM 8 - RISK FACTORS

8.1 Investment Risks

No guarantee in delivering Target Yields and dividends in general

The Target Yields described in “*Description of the Offered Shares – Dividend Policy*” above are targets that the Corporation will strive to deliver. However, the Corporation makes no guarantee that Target Yields will be delivered consistently or at all. Furthermore, there is no assurance that any dividends will be declared and paid by the Corporation to Investors in any given month or year. The deliverance of Target Yields and general payment of dividends will depend on economic conditions, interest rates, and other factors that would affect the Corporation’s operations and, ultimately, its

ability to produce positive net income for distribution. Investors that are not able to bear the risk of non-payment of Target Yields or dividends in general should not invest in this Offering.

No guarantee in preserving capital

Although the Corporation intends to provide returns in excess of principal amounts invested by Investors, there is no assurance that such principal amounts will be repaid or otherwise recovered by the Corporation. Potential Investors should be willing to bear the risk of losing all of their investment in the Preferred Shares before purchasing such Preferred Shares.

No market for the securities

As the Corporation is not a reporting issuer and may never become a reporting issuer in any Canadian jurisdiction, the Preferred Shares are not and may never be freely tradeable in Canadian public markets. Thus Investors seeking liquidity may find significant barriers if attempting to sell the Preferred Shares or offer them as collateral. Investors should be prepared to hold the Preferred Shares for an indefinite period of time before purchasing such Preferred Shares.

Resale restrictions

The Preferred Shares are being offered to prospective Investors pursuant to certain statutory registration and prospectus exemptions contained in Canadian federal and provincial securities legislation. Accordingly, the Preferred Shares are subject to resale restrictions pursuant to applicable securities laws. In particular, the Preferred Shares cannot be traded by the Investor before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any Canadian jurisdiction. In addition, the Preferred Shares are subject to resale restrictions outlined in the Unanimous Shareholders' Agreement and the Articles, together with any amendments thereto.

Availability of Retraction

Holders of Preferred Shares have Retraction Rights, as described in "*Description of the Offered Shares – Redemption and Retraction Rights*" above. However, the Corporation makes no guarantee that it will be able to satisfy any or all exercises of Retraction Rights at any given time. The availability of retraction depends on whether the Corporation has sufficient liquidity to grant the exercise, whether the Board decides to reject or suspend the exercise, and whether the granting of the Retraction Right will be in compliance with applicable corporate and securities laws.

Dilution of ownership

The Corporation is authorized and the Board has the discretion to issue an unlimited number of Preferred Shares, subject to applicable securities laws. In order to attain additional funding, the Corporation may conduct future offerings of Preferred Shares as required. A result of any future offerings may be the dilution of ownership interests of the Corporation's shareholders at that time. The Corporation may also create and offer new classes of shares in the Corporation that have different or greater rights than the Preferred Shares, such as higher seniority in liquidation rights or dividend priority.

No voting rights

Holders of Preferred Shares are not entitled to any voting rights to participate in the management or control of the Corporation, unless otherwise mandated by applicable laws in certain circumstances. Potential Investors should be willing to accept the decisions made by the Manager

in the management of the Corporation and rely on the Manager's expertise and good faith in doing so.

Lack of regulatory review

No securities regulatory authority or regulator has assessed the merits of the Preferred Shares or reviewed this Offering Memorandum, and Investors under the Offering Memorandum will not have the benefit of such an assessment or review. Accordingly, potential Investors should be comfortable with the lack of regulatory review before purchasing any Preferred Shares.

8.2 Corporation Risks

Maintaining MIC status

The operations and business objectives of the Corporation are heavily tied to the maintenance of its MIC status because of tax consequences. The Board will attempt to maintain the MIC status of the Corporation on a best efforts basis and has been granted powers to facilitate this accordingly, such as the right to reject Retraction Rights if necessary. Despite all efforts of the Board, **there is no guarantee that the Corporation will be able to meet the Tax Act's MIC requirements at all material times.** If the Corporation fails to maintain its MIC status for any given year, it may be unable to deduct dividends from its profits and thus be subject to additional taxation prior to dividend distribution. Such a failure may also impact the qualifications of the Preferred Shares for Registered Plans and consequently subject certain Investors to additional tax repercussions.

Mortgage defaults

The Corporation invests in non-conventional mortgages including those that may typically be rejected by major financial institutions by virtue of insufficient credit on the part of the mortgage applicant. When compared to borrowers of conventional mortgages, there is a higher risk that non-conventional mortgage borrowers may not pay back interest and/or principal amounts to the Corporation when they come due. The Corporation is compensated for this higher risk by charging a higher rate of interest and fees for its loans. The Corporation and the Manager have also set policies in place to mitigate the frequency and impact of such defaults. Nevertheless if such defaults occur, they may decrease the profitability of the Corporation and consequently result in lower returns or the complete loss of your investment.

Furthermore, the Corporation intends to invest in first charge, second charge or third charge mortgages as well as other non-traditional lending depending on which class of Preferred Share the funds are from. In certain cases of mortgage defaults, there may not be enough capital to pay back loan amounts to all ranks of charges. Therefore, lower charge mortgage investments have a higher risk of loss than those of a higher charge. Funds received from the issuance of Class A Preferred Shares will be exclusively invested in first and second charge mortgages while funds received from the issuance of Class B Preferred Shares will be invested in second and third charge mortgages and other mortgage based investments such as commercial or construction loans. Accordingly, holders of Class B Preferred Shares are subject to a higher risk of loss, and are commensurately compensated with a higher indicative Target Yield. There is no guarantee that any Target Yield will be obtained, and the Board reserves the right to change the Target Yield at any time and from time to time in its sole discretion. All Investors should be willing to accept the risk of reduced returns or complete loss of their investments in the Preferred Shares.

Insufficient funds to achieve objectives

The Corporation relies on sufficient funding in order to invest in desirable mortgage opportunities

and accomplish its long term and short term objectives. If the Corporation is not able to raise sufficient capital from the Offering and is unable to find alternative funding, it may not be able to achieve its objectives and may not be able to provide a positive return for its Investors. Prospective Investors should recognize that there is no minimum offering size to this Offering and they may be the only purchasers of the Preferred Shares. Even if the Corporation is able to raise funds from multiple Investors, it may still not be sufficient to allow the Corporation to achieve its objectives.

Dependence on the Manager

The Corporation relies on the Manager to carry out services critical to the Corporation, in accordance with the Management Services Agreement. Thus the Corporation also depends on the operational status of the Manager and the maintenance of the Manager's mortgage-related licenses. Any operational failure of the Manager or termination of the Management Services Agreement may cause a material adverse effect on the Corporation and its business.

Availability of quality mortgage applications

The Manager taps into its established real estate network in order to provide referrals of mortgage applications to the Corporation. A consistent supply of referrals will thus depend on Manager's ability to source quality mortgage applications for the Corporation to evaluate and invest. If the Manager is unable to reliably supply the Corporation with adequate mortgage investment opportunities, this may cause a material adverse effect on the Corporation's business.

No history of revenue or profits

As the Corporation has recently been incorporated and has not yet invested in any mortgage investments, it has no history of any revenue or profits. Prospective Investors should be willing to accept the risk of investing in the Corporation without the benefit of historic financial performance.

8.3 Industry Risks

Competition

As an MIC, the Corporation competes with other MICs, mortgage brokers and financial institutions that offer loans to the non-conventional mortgage market. Differentiating factors of competition include interest rates charged, reputation, and available financial resources. In light of this competition, there is no assurance that the Corporation will be able to outcompete its competitors and capture enough of the market in order to meet its objectives and deliver dividends to the Investors.

The real estate market and other economic conditions

The state of the real estate market and the general economy has direct implications on the prices of the underlying real property and the availability of mortgage opportunities in the industry. A decline or crash in the real estate market may result in a lower level of consumer interest in engaging mortgages. Thus Investors should be aware that the Corporation's performance could be subject to a material adverse effect if the real estate market or Canadian economy experiences any degree of slowdown.

Interest Rate Risk

Performance of the Corporation's mortgage portfolio is impacted by prevailing interest rates at any given time. If interest rates decrease, the Corporation may have to lower the interest rates it charges

in order to compete in the mortgage market. Thus the Corporation may experience difficulties in achieving objectives and delivering adequate returns to the Investors if it is not able to adjust competitively to lower interest rate environments.

Changes in Law

The Corporation intends to comply with the Tax Act and related government incentive programs in order to operate with the advantages available to MICs. If there are any changes in law that interfere with the Corporation's ability to access such advantages, this may cause a material adverse effect to the Corporation and/or its distributions to its Investors.

Risks Related to the Coronavirus

Pandemics and similar outbreaks may negatively impact the Corporation's business and financial results. The recent COVID-19 pandemic could impact the Corporation's business negatively by, among other things, increase client credit risk and decrease property values. Management and the Manager are each monitoring the impact of COVID-19 on the Corporation's business, its clients and creditors. Despite the Corporation's efforts to manage these impacts, its ultimate impact also depends on factors beyond the Corporation's knowledge or control, including the duration and severity of any outbreak and actions taken to contain its spread and mitigate its public health effects.

The impact of the COVID-19 pandemic is not fully determinable at this time and it could have a material adverse effect on the Corporation's business, financial position, results of operations and/or cash flows.

Cybersecurity

Cybersecurity Breaches – Although the Corporation and the Manager has put in place risk management protocols to address breaches in the Corporation's electronic systems, any breach may have a significant and material adverse disruption and negative impact to the Corporation's business. Such impact may expose the Corporation to significant liability, reputational harm and/or remediation expenses and potential fines.

ITEM 9 - REPORTING OBLIGATIONS

The Corporation is not a reporting issuer under applicable securities laws and will not become a reporting issuer subsequent to the completion of the Offering. As the Corporation is not a reporting issuer, it will not be subject to continuous disclosure requirements prescribed by securities laws and **the Corporation is not required to send you any documents on an annual or ongoing basis.** Any disclosures made by the Corporation to its shareholders will be made at the sole discretion of the Board, subject to applicable securities laws.

ITEM 10 - RESALE RESTRICTIONS

As the Corporation is a non-reporting issuer, the Preferred Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption form the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date that the Corporation becomes a reporting issuer in any province or territory of Canada. This prohibition may never be lifted as the Corporation may never become a reporting issuer. Holders of Preferred Shares are recommended to seek legal advice prior to any

resale of Preferred Shares.

ITEM 11 - PURCHASERS' RIGHTS

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

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase Preferred Shares. To do so, you must send a notice to the Corporation by midnight on the 2nd Business Day after you sign the agreement to buy the Preferred Shares.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

If this Offering Memorandum, any amendment thereto, or, in some cases, advertising and sales materials used in connection therewith, contain a “**misrepresentation**” as defined by applicable securities legislation, you have a statutory right to sue the Corporation (a) to cancel your agreement to buy the Preferred Shares; or (b) for damages against the Corporation.

The following sections summarize the relevant provisions of securities legislation in Ontario, Alberta, British Columbia and Saskatchewan and the rules, regulations and other instruments thereunder. These summaries are meant to serve as reference only and are subject to, and qualified by, the full express provisions of the provincial securities legislations. Such provisions may contain limitations and statutory defences. The rights of action described herein are in addition to, and without derogation from, any other right or remedy which an Investor may have at law.

11.3 Investors in Ontario

The right of action for damages or rescission described herein is conferred by section 130.1 of the Securities Act (Ontario) (the “**Ontario Securities Act**”). If you are an Ontario resident, the Ontario Securities Act provides, in relevant part, that if this Offering Memorandum contains a misrepresentation, you have a statutory right to sue the Corporation and any selling security holder on whose behalf the distribution is made to cancel your agreement to buy these securities, or for damages; provided, however, that if you elect to sue the Corporation to cancel your agreement to buy these securities, you will have no right to sue the aforementioned persons for damages. This statutory right to sue is available to you whether or not you relied on the misrepresentation.

The Ontario Securities Act provides various defenses to the persons or companies that you have a right to sue. In particular, they have a defense if they prove that the purchaser purchased the securities with knowledge of the misrepresentation. The issuer and the selling security holders, if any, will not be liable for a misrepresentation in “forward looking information”, as such term is defined under applicable Canadian securities laws, if they prove that:

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

forecasts and projections set out in the forward looking information.

The issuer and the selling security holders, if any, will not be liable for all or any portion of damages that they prove to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon. In no case shall the amount recoverable exceed the price at which the securities were offered. The rights referred to in (a) and (b) described above do not apply where this Offering Memorandum is delivered to a prospective purchaser in connection with a distribution made in reliance on the exemption from the prospectus requirement in section 73.3 of the Ontario Securities Act (the “**accredited investor exemption**”) if the purchaser is:

- (a) a Canadian financial institution, meaning either:
 - (A) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made thereunder; or
 - (B) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada);
- (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (d) a subsidiary of any of the foregoing, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

If you intend to rely on the rights described in the first paragraph above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of: (i) 180 days after the date that you first had knowledge of the facts giving rise to the cause of action, or (ii) 3 years after the date of the transaction that gave rise to the cause of action.

11.4 Investors in Alberta

The right for damages or rescission described herein is conferred by section 204 of the Securities Act (Alberta) (the “**Alberta Act**”). If you are an Alberta resident, the Alberta Act provides, in relevant part, that if this Offering Memorandum contains a misrepresentation, as defined in the Alberta Act, you have a statutory right to sue (a) the Corporation or selling security holder on whose behalf the distribution is made to cancel your agreement to buy these securities, or (b) for damages against (i) the Corporation or selling security holder on whose behalf the distribution is made; (ii) every director of the Corporation at the date of the Offering Memorandum; and (iii) every person or company who signed the Offering Memorandum; provided, however, that if you elect to sue the Corporation to cancel your subscription, you will have no right to sue the aforementioned persons for damages. This statutory right to sue is available to you whether or not you relied on the misrepresentation.

The Alberta Act provides various defenses to the persons or companies that you have a right to

sue. In particular, they have a defense if:

- (a) they prove that the purchaser purchased the securities with knowledge of the misrepresentation;
- (b) they prove that the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Executive Director (as such term is defined in the Alberta Act) and the Corporation that it was sent without the knowledge of the person or company;
- (c) they prove that the person or company, on becoming aware of the misrepresentation in the Offering Memorandum, withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the Executive Director (as such term is defined in the Alberta Act) and the Corporation of the withdrawal and the reason for it;
- (d) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the Offering Memorandum: (A) did not fairly represent the report, opinion or statement of the expert; or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or
- (e) with respect to any part of the document not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, after conducting a reasonable investigation, the person or company had no reasonable grounds to believe, and did not believe, that there was a misrepresentation.

In the case of an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation. In no case will the amount recoverable in any action exceed the price at which the securities were offered under the Offering Memorandum. If you intend to rely on the rights described in (a) or (b) in the first paragraph above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of: (i) 180 days after the date that you first had knowledge of the facts giving rise to the cause of action, or (ii) 3 years after the date of the transaction that gave rise to the cause of action.

11.5 Investors in British Columbia

The right of action for damages or rescission described herein is conferred by section 132.1 of the Securities Act (British Columbia) (the "**BC Act**"). The BC Act provides, in relevant part, that if this Offering Memorandum contains a misrepresentation, as defined in the BC Act, you have a statutory right to sue (a) the Corporation to cancel your agreement to buy these securities, or (b) for damages against (i) the Corporation; (ii) every director of the Corporation at the date of the Offering Memorandum; and (iii) every person or company who signed the Offering Memorandum; provided, however, that if you elect to sue the Corporation to cancel your agreement to buy these securities, you will have no right to sue the aforementioned persons for damages. This statutory right to sue is

available to you whether or not you relied on the misrepresentation.

The BC Act provides various defenses to the persons or companies that you have a right to sue. In particular, they have a defense if:

- (a) they prove that the purchaser had knowledge of the misrepresentation;
- (b) they prove that the Offering Memorandum was delivered to purchasers without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Corporation that it was sent without the person's knowledge or consent;
- (c) if they prove that, on becoming aware of the misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering Memorandum and gave written notice to the Corporation of the withdrawal and the reason for it; or
- (d) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company had no reasonable grounds to believe, and did not believe, that: (i) there had been a misrepresentation; or (ii) the relevant part of the Offering Memorandum: (A) did not fairly represent the report, opinion or statement of the expert; or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, a person is not liable for damages with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation. In the case of an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves to not represent the depreciation in value of the security resulting from the misrepresentation. The amount recoverable by a plaintiff in any action for misrepresentation must not exceed the price at which the securities were offered under the Offering Memorandum. If you intend to rely on the rights described in (a) or (b) in the first paragraph above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of: (i) 180 days after the date that you first had knowledge of the facts giving rise to the cause of action, or (ii) 3 years after the date of the transaction that gave rise to the cause of action.

11.6 Investors in Saskatchewan

The right for damages or rescission described herein is conferred by section 138 of the Securities Act (Saskatchewan) (the "**Saskatchewan Act**"). If you are a Saskatchewan resident, the Saskatchewan Act provides, in relevant part, that if this Offering Memorandum contains a misrepresentation, as defined in the Saskatchewan Act, you have a statutory right to sue (a) the Corporation or selling security holder on whose behalf the distribution is made to cancel your agreement to buy these securities, or (b) for damages against (i) the Corporation or selling security holder on whose behalf the distribution is made; (ii) every promoter and director of the Corporation or the selling security holder, as the case may be, at the date of the Offering Memorandum; (iii) every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them; (iv) every person or company who signed the Offering Memorandum; and (v) every person who or company that sells

securities on behalf of the Corporation or selling security holder under the Offering Memorandum; provided, however, that if you elect to sue the Corporation to cancel your subscription, you will have no right to sue the aforementioned persons for damages. This statutory right to sue is available to you whether or not you relied on the misrepresentation.

The Saskatchewan Act provides various defenses to the persons or companies that you have a right to sue. In particular, they have a defense if they prove that the purchaser purchased the securities with knowledge of the misrepresentation. In addition, except for the Corporation or selling security holder, they also have a defense if:

- (a) they prove that the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company immediately gave reasonable general notice that it was sent without the knowledge of the person or company;
- (b) they prove that the person or company, on becoming aware of the misrepresentation in the Offering Memorandum and before the purchase of the securities, withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it;
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the Offering Memorandum: (A) did not fairly represent the report, opinion or statement of the expert; or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or
- (d) with respect to any part of the Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert: (i) the person or company had, after reasonable investigations, reasonable grounds to believe and did believe that the part of the Offering Memorandum fairly represented the person's or company's report, opinion or statement; or (ii) on becoming aware that the part of the Offering Memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Commission (as defined in the Saskatchewan Act) and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the Offering Memorandum; or
- (e) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true.

In addition, a person or company, other than the Corporation or selling security holder, is not liable with respect to any part of the Offering Memorandum:

- (a) purporting to be made on the person's or company's own authority as an expert, or purporting to be a copy of, or an extract from, a report, opinion or statement of the

person's or company's own report, opinion or statement as an expert; or

- (b) not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from a report, opinion or statement of an expert;

unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation.

In the case of an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation. In no case will the amount recoverable in any action exceed the price at which the securities were offered under the Offering Memorandum. If you intend to rely on the rights described in (a) or (b) in the first paragraph above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of: (i) one year after the date that you first had knowledge of the facts giving rise to the cause of action, or (ii) 6 years after the date of the transaction that gave rise to the cause of action.

In addition, subject to certain limitations, where any advertising or sales literature (as such terms are defined in the Saskatchewan securities legislation) disseminated in connection with the Offering contains a misrepresentation, a purchaser who purchases the securities, as applicable, referred to in that advertising or sales literature has a right of action against the Corporation or selling security holder, every promoter and director of the Corporation or selling security holder, and every person who or company that sells the securities, as applicable, under the Offering with respect to which the advertising or sales literature was disseminated. In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities purchased and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement regardless of whether the purchaser relied on the misrepresentation.

ITEM 12 - FINANCIAL STATEMENTS

The Corporation's audited financial statements as at January 8, 2021 are appended to this Offering Memorandum as Appendix A.

ITEM 13 - CERTIFICATE

DATED this 15th day of January, 2021.

This Offering Memorandum does not contain a misrepresentation.

SAGEWISE MORTGAGE INVESTMENT CORPORATION



Dr. Abraham King
Chief Executive Officer and Director



Fathi Salha
Chief Financial Officer and Director



Sylvia Garuba
Director

APPENDIX A
Audited Financial Statements

See attached.

SAGEWISE MORTGAGE INVESTMENT CORPORATION

FINANCIAL STATEMENTS

JANUARY 8, 2021

(Expressed in Canadian Dollars)

Sagewise Mortgage Investment Corporation

Financial Statements

January 8, 2021

INDEX

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
Financial Statements	
Balance Sheet	2
Loss and Comprehensive Loss	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Sagewise Mortgage Investment Corporation

We have audited the accompanying financial statements of Sagewise Mortgage Investment Corporation, which comprise the balance sheet as at January 08, 2021, the statements of income and comprehensive income, changes in equity and cash flows for the period of January 8, 2021, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagewise Mortgage Investment Corporation as at January 08, 2021 and its financial performance and its cash flows for the period January 8, 2021 in accordance with International Financial Reporting Standards.

Baker Tilly WM LLP

Toronto, Ontario
January 27, 2021

Chartered Professional Accountants
Licensed Public Accountants

Sagewise Mortgage Investment Corporation

Balance Sheet

As at January 8, 2021
(Expressed in Canadian Dollars)

ASSETS

Cash \$ 100

LIABILITIES

-

SHAREHOLDERS' EQUITY

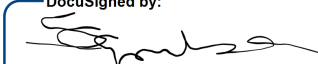
Share Capital (Note 3) 100

100

\$ 100

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

Approved on behalf of the Board  _____ Director

 _____ Director

DocuSigned by:
411DD34DDFBE439...

Sagewise Mortgage Investment Corporation

Statement of Income And Comprehensive Income

For the period January 8, 2021
(Expressed in Canadian Dollars)

Revenue

\$ _____ -

Expenses

Income and Comprehensive Income

\$ _____ -

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

Sagewise Mortgage Investment Corporation

Statement of Changes in Equity

For the period January 8, 2021
(Expressed in Canadian Dollars)

Share Capital

Issuance of Common Shares	\$ <u>100</u>
Retained Earnings, Beginning of year	-
Income and Comprehensive Income	<u>-</u>
Retained Earnings, End of year	<u>-</u>
Total Equity	<u>\$ 100</u>

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

Sagewise Mortgage Investment Corporation

Statement of Cash Flows (Expressed in Canadian Dollars)

For the period January 8, 2021

OPERATING ACTIVITIES

Cash Provided by Operating Activities

-

FINANCING ACTIVITIES

Issuance of common shares

100

NET INCREASE IN CASH

100

CASH, Beginning of period

-

CASH, End of period

\$ 100

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

Sagewise Mortgage Investment Corporation

Notes to Financial Statements

January 8, 2021

(Expressed in Canadian Dollars)

NATURE OF BUSINESS AND ORGANIZATION

Sagewise Mortgage Investment Corporation (the "Company") was incorporated on January 8, 2021 under the Business Corporation Act (Ontario). The Company's registered address is 4080 Confederation Parkway, Suite 402, Mississauga, Ontario, L5B 0G1. The principal business activity of the Company is to act as a Mortgage Investment Corporation ("MIC") by investing in residential and commercial mortgage investments. These financial statements were approved for issuance by management on January 27, 2021.

1. BASIS OF PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards ("IFRS").

Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for financial instruments classified as fair value through profit or loss, which are measured at fair value.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets, liabilities, income and expenses during the year. Actual results may differ from those estimates.

Sagewise Mortgage Investment Corporation

Notes to Financial Statements

January 8, 2021

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with IFRS and have been applied consistently to all years presented in these financial statements. The significant accounting policies are as follows:

Financial Instruments - Recognition and Measurement

All financial assets and financial liabilities are initially recognized at fair value and, in the case of financial assets and liabilities carried at amortized cost, adjusted for directly attributable transaction costs. In subsequent years, financial assets and financial liabilities that are held-for-trading are remeasured at fair value, with gains and losses recognized in net income. Financial assets that are loans and receivables or held-to-maturity are remeasured at amortized cost, using the effective interest rate method with impairments recognized in net income. Financial assets that are available-for-sale are remeasured at fair value, with gains and losses recognized in other comprehensive income. Financial liabilities that are not held-for-trading are remeasured at amortized cost, using the effective interest rate method and recognized in net income.

The Company has made the following classifications:

Cash

Held-for-trading

Income Taxes

The Company is a mortgage investment corporation ("MIC") pursuant to the Income Tax Act (Canada). As such, the Company is entitled to deduct from its taxable income dividends paid to shareholders during the year or within 90 days of the end of the year to the extent the dividends were not deducted previously. The Company intends to maintain its status as a MIC and intends to distribute sufficient dividends in the year and in future years to ensure that the Company is not subject to income taxes. Accordingly, for financial statement reporting purposes, the tax deductibility of the Company's dividends results in the Company being effectively exempt from taxation and no provision for current or future income taxes is required.

Revenue Recognition

Interest income is earned from mortgage loans and is recognized on the accrual basis.

Sagewise Mortgage Investment Corporation

Notes to Financial Statements

January 8, 2021

(Expressed in Canadian Dollars)

3. SHARE CAPITAL

Authorized

Unlimited Common shares - voting

	2021	
Share Capital	Issued	
Common shares	<u>100</u>	<u>\$ 100</u>

4. FINANCIAL INSTRUMENTS

The Company has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting in financial instruments include credit risk, liquidity risk and market risk (including interest rates, other price risk and currency risk). The level of risk depends on the mortgage loans receivable that the Company invests in.

Credit Risk:

Currently the company has no mortgage loans outstanding and therefore management has not identified any credit risks or interest rate risks.

Liquidity Risk:

The Company is exposed to liquidity risk. Liquidity risk is the risk that the payments and obligations of the Company become due and the Company fails to discharge those payments and obligations in a timely manner. The Company maintains cash reserves that are considered necessary to discharge its obligations. In the opinion of management, the Company is not exposed to a material credit risk.

Capital Risk Management

The Company defines capital as being the funds raised through the issuance of share capital of the Company. The Company's objective when managing capital/equity is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders. The Company manages the capital/equity structure and makes adjustments to it in light of changes in economic conditions.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of accounts payable and accrued liabilities approximate their carrying values due to their short-term maturities.