

# **FarmWorks Investment Co-operative Limited**

November 21<sup>st</sup>, 2016

**THIS MAY BE A HIGH RISK INVESTMENT. DO NOT  
INVEST PRIOR TO EVALUATING THESE RISKS AND  
YOUR OWN PARTICULAR CIRCUMSTANCES**

**UNDER NSSC POLICY 45-601 THIS CEDIF IS A  
NON-SPECIFIED INVESTMENT FUND**

**WARNING: Unlike most investment funds, this fund will not be required to comply with the requirements of an investment fund manager provided the fund complies with Nova Scotia Securities Commission Policy 45-601 Community Economic Development Investment Funds. Other investment funds are required to have registered investment fund managers to afford investors a level of protection that is not present in this investment. When investors purchase or own shares in this fund they should be aware that they will not have the protections of the requirements and standards imposed on registered investment fund managers under Nova Scotia securities laws which include:**

- a) meeting experience and education requirements,**
- b) complying with investment fund reporting requirements,**
- c) employing a chief compliance officer,**
- d) maintaining minimum levels of working capital,**
- e) maintaining specified levels of insurance or bonding, and**
- f) undergoing Commission compliance reviews.**

**Other Important Risks:**

**Securities law restrict reselling shares; see Item # 57 in this offering document.**

**If you purchase shares:**

**Selling your shares prior to the expiry of the five year hold period will require repayment of the Equity Tax Credit to the Province.**

**No one may want to buy your shares at any price.**

**No company or individual has an obligation to purchase your shares.**

**If you can sell your shares, the price may be significantly less than your purchase price.**

**There is no guarantee of any return on this investment, and you can lose your investment.**

**The CEDIF faces many risks see Item #10.**

**All tax credits referred to in this offering are non-refundable provincial income tax credits.**

**Tax laws change and a change may adversely impact your investment.**

**This offering document contains important information. You should read the entire offering document and consult with your financial advisor prior to subscribing and purchasing any shares.**

**Investors should review the investment merits of the offering as you may not be eligible for potential non-refundable provincial income tax credits which may affect your investment.**

## Form 1: Offering Document

(Document version August 26, 2014)

(under the *Community Economic-Development Corporations Regulations*)

**This document is to be used only by Community Economic-Development Corporations, as defined in this document.**

**This offering document constitutes an exempt offering of these securities only in Nova Scotia by authorized sales agents.**

Subscribers may cancel their purchase of Shares by notifying the Issuer in writing no later than midnight on the 2nd day, exclusive of Saturdays, Sundays and holidays, after the day the Issuer receives the completed subscription agreement.

### Glossary

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In this offering document:

1. “Act” means the *Securities Act*;
2. “Association” means an association as defined in the *Co-operative Associations Act*;
3. “CEDC” means a Community Economic-Development Corporation;
4. “CEDC Regulations” means the *Community Economic-Development Corporation Regulations* made under the Act;
5. “Community Economic-Development Corporation” means a Corporation or Association that meets the criteria prescribed by the regulations made under the *Equity Tax Credit Act* and is registered as a Community Economic-Development Corporation by the Minister of Finance under Section 11 of the *Equity Tax Credit Act*;
6. “Community Economic-Development Plan” means the community economic-development plan proposed by the Issuer that contains the information prescribed by the regulations made under the *Equity Tax Credit Act*;
7. “Corporation” means a corporation that is incorporated under the laws of the Province of Nova Scotia, another province of Canada or Canada and that has its head office located in the Province of Nova Scotia;
8. “Finders” means persons who, for compensation or without compensation, act as intermediaries in making introductions in furtherance of this Offering;
9. “Issuer” means *FarmWorks Investment Co-operative Limited*, the CEDC that is making this Offering;

10. “Investee Corporation” means a corporation in which the Issuer proposes to invest or has invested 20% or more of the net proceeds of this Offering or net proceeds of previous offerings and of which all or substantially all of the fair market value of the property is attributable to property used in an active business;
11. “Offering” means this offering of Shares of the Issuer;
12. “Promoter” has the same meaning as in the Act, except that in accordance with subsection 3(3) of the CEDC Regulations no individual is considered as a promoter of the Issuer unless that individual is a promoter at the time this offering document is filed with the Director of Securities;
13. “Securities Rules” means the rules of the Nova Scotia Securities Commission made under the Act;
14. “Security holder” means a person or company who owns shares of the Issuer;
15. “Selling Agent” means a person listed in item 11(a) of this offering document;
16. “Shares” means Common Shares in FarmWorks Investment Co-operative Limited of the Issuer that qualify as a specified issue as defined in subclause 2(k)(iii) of the *Equity Tax Credit Act*.

## Table of Contents

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Cautions.....	(page 6)
The Offering .....	(page 7)
Risk Factors.....	(page 7)
Plan of Distribution .....	(page 8)
The Issuer .....	(page 11)
Business and Properties of an Issuer that is a Corporation.....	(page 12)
Specified Investments in Eligible Local Business Entities by an Issuer that is a Corporation .....	(page 12)
Business and Properties of an Issuer that is an Association .....	(page 13)
Capital Structure.....	(page 18)
Use of Proceeds .....	(page 19)
Financial Forecasts or Projections.....	(page 20)
Dividends, Distributions and Redemptions.....	(page 20)
Promoters of the Issuer.....	(page 20)
Officers of the Issuer .....	(page 24)
Directors of the Issuer.....	(page 25)
Key Personnel of the Issuer .....	(page 28)
Principal Security Holders.....	(page 30)
Management Relationships, Transactions and Remuneration.....	(page 30)
Litigation .....	(page 31)
Canadian Income Tax Considerations.....	(page 32)
Material Contracts .....	(page 34)
Financial Statements.....	(page 37)
Continuous Reporting Obligations.....	(page 37)
Restrictions on Resale of Securities .....	(page 37)
Rights of Action .....	(page 39)
Certificate .....	(page 42)

## Cautions

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The Nova Scotia Securities Commission has not assessed:

- the reasonableness or merit of the Issuer or the Offering;
- whether the Issuer has sufficient financing and managerial expertise to accomplish its stated objectives;
- whether management of the Issuer has the reputation and commitment to conduct the Issuer's business with integrity and in the best interest of the Security holders;
- whether the Promoters and management of the Issuer are receiving unconscionable benefits at the expense of the Security holders; or
- whether any financial forecast or projection contained in this offering document has a reasonable basis;

Investment in small business involves a high degree of risk, and investors should not invest any funds in this Offering unless they can afford to lose a substantial portion of their investment. Potential investors should read all of this offering document, particularly the risk factors in Item #10.

Potential investors should review the information concerning the background of the Issuer's officers, directors and other key personnel in Items 36 through 38 and Items 39 through 51, and consider whether or not these persons have adequate background and experience to develop and operate the Issuer and to make it successful. In this respect, the experience and ability to manage are often considered among the most significant factors in the success of a business.

After reviewing the "Use of Proceeds" in Item #27 potential investors should consider whether the amounts available for future development of the Issuer's business and operations will be adequate.

A Security holder may have rights of rescission or an action for damages in circumstances that are described in this offering document beginning in Item #58.

**There is no organized market through which the Shares may be sold. It may be difficult or even impossible for the investor to sell them.**

Potential investors should also consult their professional advisors before investing.

This offering document, together with the documents incorporated in it by reference and forming part of it, and the attachments to it, contain all of the representations by the Issuer concerning this Offering, and a person must not make different or broader statements than those contained in it. Investors are cautioned not to rely on any information not expressly set forth in or attached to this offering document.

All promotional material is incorporated by reference into this offering document in accordance with Section 15 of the CEDC Regulations.

This offering document, together with financial statements and other attachments, consists of a total of 56 pages.

## The Offering

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1. (a) The Shares being offered are:  
Fully paid, newly issued voting common shares that are non-retractable, non-redeemable, non-convertible shares and not restricted in profit sharing or participation upon dissolution. The price per share is \$100 (One hundred dollars).
- (b) The minimum number of shares to be purchased by each subscriber under this Offering is: 1 share for \$100 (One hundred dollars).
- (c) The Issuer is concurrently distributing or contemplating another distribution of securities within the next 12 months.  
A further offering in 2017 that is intended to raise a minimum of \$50,000 to invest in food-related businesses will be contemplated.
2. The offering price was established arbitrarily by the Issuer.
3. Maximum number of Shares offered: 10,000
4. Total proceeds if maximum sold: \$1,000,000
5. Minimum number of Shares offered: 500
6. Total proceeds if minimum sold: \$50,000
7. Reasons for the selection of the minimum number of Shares offered:  
FarmWorks Investment Co-operative Limited operating as a “blind pool” will be able to invest effectively with the minimum 500 shares.
8. Minimum number of investors required: The minimum number is 3. FarmWorks currently has 352 shareholders and funds are invested in farms and food related businesses.
9. Total estimated costs of the Offering: At minimum: \$3,000  
At maximum: \$25,000 (see Item # 27).

## Risk Factors

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10. The following, listed in order of importance, are the factors that the Issuer considers to be the most substantial risks to an investor in this Offering in view of all known facts and circumstances (i.e., those factors that constitute the greatest threat that the investment will be lost in whole or in part, or not provide an adequate return).  
  
(a) The FarmWorks CEDIF made loans totalling \$1,454,241 to 64 businesses between May 2012 and September 30, 2016 (refer to #54 for agreements). At this stage a Chartered Business Valuator is not in a position to prepare a report on the value of any investments owned by the CEDIF.

b) Every individual shareholder will only have one vote on the Board of the Investor Co-operative.

(c) The investments made by the Fund will have returns which are directly attributable to the performance of the Investees. Investments which were prudent at the time of investment may not prove profitable over the term during which they are maintained.

(d) Another risk factor considered to be potentially material to an investor is the opportunity cost of capital should the offer not close. Depending upon the dates involved in the offering, an investor who chooses this investment may lose the opportunity to invest in another tax-assisted investment in the first 60 days of the year.

(e) FarmWorks Investment Co-operative Limited is in the fourth year of operation, and while members of the Board and Advisors have business and professional skills that will decrease the risks associated with placement of investments, there are nevertheless risks associated with the performance of the Fund.

In addition to the above risk factors, potential investors should consider the following risk factors before they decide to purchase the Shares being offered:

(f) The Shares are speculative in nature. An investment is appropriate only for investors who are prepared to have their money invested for a long period of time, and who have the capacity to absorb a loss of some or all of their investment.

(g) There is no organized market through which the Shares may be sold. Therefore, investors may find it difficult or even impossible to sell their Shares.

(h) There are restrictions on the resale of the Shares. See item 57 for details.

(i) The Issuer may not achieve a level of profitability to permit dividends to be paid. Investors should not count on any return from these Shares.

(j) Investors who deposit the Shares in a self-directed RRSP should not depend on selling the Shares or income from the Shares to fund their retirement.

(k) Tax laws frequently change.

## **Plan of Distribution**

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11. (a) The following people are the Selling Agents authorized to sell Shares under the Offering:

<b>Name</b>	<b>Address</b>	<b>Business Phone #</b>	<b>Fax #</b>
Linda Best	70 Eden Row, Wolfville RR2, NS, B4P 2R2	902-542-3442 902-670-3660	902-542-5812
Ann Anderson	27 Pleasant Street, Wolfville, NS, B4P 1M6	902-542-0572	
Jennifer, Osburn	185 Commercial Street, Berwick, B0P 1E0	902-538-0173	

11. (b) The following people are the Finders under the Offering:

Name	Address	Business Phone	Fax #
Linda Best	70 Eden Row, Wolfville RR2, NS, B4P 2R2	902-542-3442	902-542-5812
Ann Anderson	27 Pleasant Street, Wolfville, NS, B4P 1M6	902-542-0572	
Peter Hicklenton	3305 Black Rock Road, Waterville, NS, B0P 1V0	902-538-8304	902-538-8378
Chris Atwood	103 Water Street, Yarmouth, NS, B5A 4P4	902-742-8475	902 742-1027
Valerie VanOostrum	11865 Hwy # 1, Grand Pre, NS, B4P 2R3	902-670-8388	902-542-4436
Andrew Meade	455 Arnold Road, Waterville, NS, B0P 1V0	902-691-4551	
John Webster	114 Oxford St., Stellarton, NS, B0K 1S0	902-755-1881	
Jennifer Osburn	185 Commercial Street, Berwick, B0P 1E0	902-538-0173	

12. (a) The Issuer may provide compensation to Selling Agents but not to Finders. Selling agents may receive a commission of 3% on the sale of shares. The Commission is taken from the pooled amount of purchases. Therefore, the commission is an expense of the Issuer and is paid indirectly by all investors until recovered from income.
- (b) The Issuer will not indemnify the Selling Agents or Finders against liabilities, if any, under the securities laws.
- (c) A Selling Agent cannot concurrently act in that capacity in more than 2 offerings in distribution under the CEDC Regulations.
13. Description of material relationship between any of the Selling Agents or Finders, Investee Corporation and its management and the Issuer or its management:

Name	Role	Relationship to Issuer	Relationship to Investees
Linda Best	Finder, Sales Agent	Director	None
Ann Anderson	Finder, Sales Agent	Director	None
Peter Hicklenton	Finder	Director	None
Chris Atwood	Finder	Director	None
Valerie VanOostrum	Finder	Director	None
Andrew Meade	Finder	Director	None
John Webster	Finder	Director	None
Jennifer Osburn	Finder	Director	None

**Note: After reviewing the amount of compensation to the Selling Agents or Finders for selling the Shares, and the nature of the relationship between the Selling Agents or Finders and the Issuer, a potential investor should carefully consider the following points when evaluating any recommendation by the Selling Agents or Finders to buy the Shares:**

- (a) amount of compensation received by the Selling Agents or Finders to sell the shares;
- (b) the nature of the relationship between the Selling Agents or Finders and the Issuer; and
- (c) unlike most securities offerings, the Selling Agents and Finders are not required to be registered under the Act to trade securities and therefore, when investors purchase the Shares through unregistered Selling Agents or Finders, they should be aware that:
  - (i) they will not have the protections afforded by certain requirements and standards imposed on “registrants” under the Act, including proficiency standards, reporting requirements, “know your client” requirements and “suitability” requirements; and
  - (ii) unregistered Selling Agents and Finders are generally prohibited by the Act from giving investment advice to potential investors unless permitted to do so by an exemption expressly set out in the Act or granted by the Nova Scotia Securities Commission under the Act.

**Please refer to items 45, 51(b) and 54 for additional information on the relationship between parties.**

14. Procedure by which investors subscribe for Shares under the Offering:  
Information will be available in the Offering Document and other permitted promotional materials available from the Selling Agents and the Finders as well as on the FarmWorks Investment Co-operative Limited website. Public meetings will be arranged. Investors will make cheques or money orders (cash is not acceptable) payable to Valley Credit Union “in Trust” for FarmWorks Investment Co-operative Limited. If the offering successfully closes, the “in trust” monies will be transferred to the banking account of FarmWorks Investment Co-operative Limited. If the offering does not successfully close, the “in trust” monies will be returned to the investors.

**Note: Subscribers may cancel their purchase of Shares by notifying the Issuer in writing no later than midnight on the 2nd day, exclusive of Saturdays, Sundays and holidays, after the day the Issuer receives the completed subscription agreement.**

15. The subscription funds will be held in trust by Valley Credit Union and will become available to the Issuer only after the conditions of closing described below have been met and the Offering has closed.
16. The following are conditions of the initial closing of this Offering:
- (a) the Issuer has received the minimum offering amount of \$50,000 in cheques or bank drafts that are in the possession of the Trustee;
  - (b) all material contracts have been signed, and all material consents of third parties have been obtained;
  - (c) all necessary and required certificates under the *Equity Tax Credit Act* and its regulations and other applicable laws have been obtained and are current, including:
    - (i) a non-objection letter issued by the Director of Securities that has not been subsequently revoked; and

- (ii) an Equity Tax Certificate that has not lapsed or been revoked by the Minister of Finance;
  - (d) at least 3 shareholders have subscribed (in accordance with item 8);
  - (e) all subscription funds are in the possession of the Trustee.
17. The minimum offering amount and all other conditions of the initial closing must be achieved on or before February 28<sup>th</sup>, 2017. RRSP contributions can be made until February 28<sup>th</sup>, 2017.
18. If the minimum offering amount and all other conditions of the initial closing are not achieved on or before the date specified in item 17, and no extension has been granted by the Director, the Offering will be withdrawn and all of the proceeds of subscription, without interest, will be returned to the subscribers no later than 30 days after the date that the Offering was to close.
19. The following are conditions of each subsequent closing of this Offering:
- (a) there has been no material change in material contracts referred to in item 16(b);
  - (b) all necessary and required certificates under the *Equity Tax Credit Act* and its regulations and other applicable laws have been obtained and are current, including
    - (i) a non-objection letter issued by the Director of Securities for the initial and any subsequent sales that has not been revoked, and
    - (ii) an Equity Tax Certificate that has not lapsed or been revoked by the Minister of Finance;
  - (c) all subscription funds are in cheques or bank drafts and in the possession of the Trustee.

## **The Issuer**

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20. Issuer's exact name as it appears in its incorporating document:  
 Name of CEDC: FarmWorks Investment Co-operative Limited
- Jurisdiction and date of incorporation: Nova Scotia, May 17, 2011, Registry #3254330
- Address of registered office: 70 Eden Row, Wolfville RR2, B4P 2R2, NS
- Address of principal business address: 70 Eden Row, Wolfville RR2, B4P 2R2, NS
- Issuer's telephone number: 902-542-3442
- Issuer's fax number: 902-542-5812
- Contact person at Issuer with respect to the Offering: Linda Best
- Telephone number and e-mail of contact person: 902-542-3442, lbest@ns.sympatico.ca
- Fiscal year end: (*month/day*) December 31

## **Business and Properties of an Issuer that is a Corporation**

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**Note: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.**

21. With respect to the business of the Issuer and its properties,
- (a) Description of the business(es) the Issuer or Investee Corporation now operates and proposes to operate:  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (b) Description of how these products or services are to be produced or rendered and how and when the Issuer intends to carry out its activities:  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (c) Industry in which the Issuer or Investee Corporation is selling or expects to sell its products or services:  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (d) Nature and extent of federal, provincial and municipal regulations to which the Issuer's or Investee Corporation's business, products or properties are subject:  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (e) Number and types of employees of the Issuer or Investee Corporation, and number and type of employees it anticipates it will have within the next 12 months:  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (f) Description of principal properties owned or leased by the Issuer or the Investee Corporation, and properties the Issuer or Investee Corporation intends to acquire in the next 12 months:  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (g) Name, business purpose and ownership details for each subsidiary of the Issuer or Investee Corporation: *(If none, so indicate.)*  
\_\_\_\_\_ Not applicable \_\_\_\_\_
  - (h) Summary of material events (i.e., those that are fundamental to business and day-to-day operations) in the development of the Issuer or Investee Corporation during the last 5 years or whatever shorter period the Issuer has existed:  
\_\_\_\_\_ Not applicable \_\_\_\_\_

**Specified Investments in Eligible Local Business Entities by an Issuer that is a Corporation**

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**Note: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.**

22. (a) Restrictions on investments as described in the Issuer's constitution:

Not applicable

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- (b) The Issuer's investment strategy and objectives as set forth in the Issuer's Community Economic-Development Plan:

Not applicable

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- (c) Intended specified investments in eligible local business entities that the Issuer plans to make with the proceeds of the Offering, and how they fall within the Issuer's Community Economic-Development Plan:

Not applicable

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- (d) The Issuer has / does not have an exit strategy for the investments.

Not applicable

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**Potential investors should note that if specified investments in eligible local business entities are not described in this offering document, the Issuer must make those investments in compliance with Section 20 of the CEDC Regulations.**

### **Business and Properties of an Issuer that is an Association**

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**Note: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.**

23. With respect to the business of the Issuer and its properties:

- (a) Description of the business(es) the Issuer now operates and proposes to operate:

Not applicable

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- (b) Description of how these products or services are to be produced or rendered and how and when the Issuer intends to carry out its activities:

Not applicable

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- (c) Industry in which the Issuer is selling or expects to sell its products or services:

Not applicable

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- (d) Nature and extent of federal, provincial and municipal regulations to which the Issuer's business, products or properties are subject:

Not applicable

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**Note: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.**

24. (a) Restrictions on investments as described in the Issuer's constitution:

1. Investments are restricted to sustainable farms and food-related Corporations that demonstrate the ability to help increase the supply of local food for Nova Scotians.

2. The business must operate in accordance with applicable laws and bylaws.

3. All investments chosen must meet criteria for eligibility under Section 4 of the Equity Tax Credit Act:

- At least 25% of salaries and wages are paid in Nova Scotia
- Assets (including affiliates) less than \$25 million
- 90% or more of the fair market value of the property is used in active business or shares of the association that would be an eligible business if it made an application under the Act.
- The business undertakes or carries on business or operations in any activity prescribed by regulations
- The business is not the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor

(b) Issuer's investment strategy and objectives as set forth in its Community Economic-Development Plan:

The mission of the Issuer is to promote, and provide, strategic and responsible community investment in food production and distribution to increase access to a sustainable local food supply for all Nova Scotians. Investments gained through the FarmWorks Community Economic Development Fund will be used to provide equity and subordinated debt funding to sustainable farms and food-related businesses to help increase the supply of local food, and the level of agricultural and related economic activity. Advisors may assist the Board in reviewing applications. The Board will assess all applications and make final decisions on specific entities for investment.

Advisors are individuals external to the Board from whom advice may be sought prior to investment decisions being taken and who assist FarmWorks and clients with mentoring. The are: Jeff Moore – Past CEO of Just Us Coffee Roasters; Gordon Michael – Director of Continuing Education, St. Mary's University; Jonathan McClelland – NS Co-operative Council; Av Singh – Organic and rural Specialist, Perennia Food and Agriculture Inc.; Thomas Krausse – Dandelion Community Investments; Gary Morton – Morton Horticultural Consultants; Edith Callaghan – Business Professor, Acadia; Hank Bosveld – Bosveld Farm; Rupert Jannasch – Ironwood Farm; Susan Carroll – Executive Chef, Paddy's Pub and Rosie's Restaurant; Duncan Ebata- Social Media, Web and Marketing; Jo Ann Fewer – Perennia Food and Agriculture Inc.; Charles Keddy – Charles Keddy Farms; Ross Piercey – Program and Production Consultant; John Aylward – Venture Solutions; Jeremy White – Engineer, Marketing, Big Spruce Brewing; Irena Knezevic – Communications Professor; Melissa Quinn – Entrepreneurship, Nutrition, Product Development; Mark Vardy – Insurance Professional, Community Volunteer; Shanon Archibald – Public Engagement Coordinator; Andrew Button- Social Entrepreneur; Geoff Appleby – Certified Financial

Analyst; Chris Walker – Economic Development, Management, Evaluation; Alicia Lake – CB Food Hub, Former Director FarmWorks; Stephen Anderson – Food Economy Group, Former Director FarmWorks; Alison Scott Butler – Retired Lawyer, Former Director FarmWorks; Natalie Smith – Economic Development; Wesley Booth – Digital Media and Social Marketing.

**Objectives:**

- Develop and market a Community Economic Development Investment Fund that raises a minimum of \$50,000 up to a maximum of \$1,000,000 in the sixth Offer.
- Invest strategically in agricultural and food enterprises to help increase Investees’ sustainable local food production and revenue.
- Provide mentoring support and help to facilitate farm and food-related innovation and diversification in partnership with governments and non-government organizations.
- Monitor and evaluate other investment tools and investment opportunities that may be used to achieve FarmWorks goals.

- (c) The Issuer has made the following specified eligible investments with the proceeds of the previous offerings:

<b>Business</b>	<b>Owner(s)</b>	<b>Location</b>	<b>Terms</b>
Pie r Squared	Heather Lunan	Wolfville	\$10,000 5 years @ 6%
Kilted Moose operating as The Big Spruce Brewery and Eatery	Jeremy and Melanie White	Nyanza	\$35,000 5 years @ 6%
Kingsville Farm	Jamie and Laura Jensen	Kingsville	\$25,000 5 years @ 6%
Fenol Farm / Photodynamic Inc.	Sherri MacFarland, Colin Chisholm, Martin Greenwood	Hillsvale	\$43,000 5 years @ 6%
Stewart's Organic Farm	Alan and Janice Stewart	Hortonville	\$20,000 5 years @ 6%
Oakview Farm	Kevin and Jennifer Graham	Kingsport	\$29,500 5 years @ 6%
Meander River Farm	Alan and Brenda Bailey	Newport	\$25,000 5 years @ 6%
Valley Flaxflour	Howard Selig	Middleton	\$5,000 5 years @ 6%
Meadowbrook Meat Market	James and Margaret Lamb	Berwick	\$25,000 5 years @ 6%
Charcuterie Ratinaud Cuisine	Frederic Tandy	Halifax	\$50,000 5 years @ 6%
Wandering Shepherd Cheese/Fearann Kisha Farm	Ron Muise and Christa MacKinnon	Grand Mira	\$25,000 5 years @ 6%
Rocky Top Farm	Nelson Millett	New Ross	\$50,000 5 years @ 6%
Helen B's Preserves	Michael Bishop	Mahone Bay	\$36,000 5 years @ 6%
Savour Deli and Ice Cream	Karine Moses	Kentville	\$20,000 10 years @ 6%
Local Source Market	Sean Gallagher	Halifax	\$35,000 5 years @ 6%
Local Source Catering	Sean Gallagher	Halifax	\$35,000 5 years @ 6%
Gold Island Bakery	Jessica Ross	Halifax	\$20,000 5 years @ 6%
Vincent Dressings	Gary Kent	Yarmouth	\$15,000 5 years @ 6%
Good Lake Farm	James Lake	Southampton	\$25,000 5 years @ 6%
Field Guide Restaurant	Dan Vorstermans and Ceilidh Sutherland	Halifax	\$25,000 5 years @ 6%
Hoppy's Farm	Byford Hopkins	Blockhouse	\$28,941 65 months @ 6%
Down on the Corner Farm	Dave and Anita Lahey	Maitland	\$20,000 5 years @ 6%
Millennium Gardens	Victoria and Scott Conrad	Mill Village	\$27,000 5 years @ 6%
Fruition	Seth Graham and Jessie Doyle	Halifax	\$17,000 5 years @ 6%

The Port Grocer 1	Annabelle Singleton and Deborah Melanson	Port Medway	\$25,000 5 years @ 6%
The Port Grocer 2	Annabelle Singleton and Deborah Melanson	Port Medway	\$25,000 10 years @ 6%
The Flying Apron Cookery	Chris and Melissa Velden	Summerville	\$50,000 5 years @ 6%
South Shore Farms	David Eisner	Upper Branch	\$25,000 5years @ 6%
Highland Drive Storehouse / Getaway Farms Inc.	Poyser Family, Robert and Cynthia Kennedy	Halifax	\$25,000 5 years @ 6%
Getaway Farm Inc.	Poyser Family, Robert and Cynthia Kennedy	Canning	\$50,000 10 years @ 6%
Boxing Rock Brewing Company	Henry Pedro and Emily Tipton	Shelburne	\$25,000 5 years @ 6%
Forever Green Farm and Garden	Terry and Mary Boyle	Tracadie	\$25,000 5 years @ 6%
Rockwell Valley Foods	Jason Rockwell	Avonport	\$25,000 5 years @ 6%
Meadows' Brother's Farm	Thian and Emily Carman	Barton	\$25,000 5 years @ 6%
Jackson Lore Strawberry Farm	Jackson Lore	Upper Ohio	\$10,000 5 years @ 6%
Thousand Hills Farm	Kevin Hamilton	Yarmouth	\$6,000 6 months @ 6%
Uprooted Market and Café	Emma Kiley	Musquodoboit Harbour	\$16,300 5 years @ 6%
BullyGoth Farms	Sasha Begg	Carleton	\$15,000 5 years @ 6%
Not Your Mama's Kitchen	Kirk Rasmussen and Dianne Mitchell	Pictou	\$30,500 5 years @ 6%
Food Noise	Tanessa Holt	Dartmouth	\$25,000 5 years @ 6%
Avondale Sky Winery	Stewart Creaser and Lorraine Vasallo	Avondale	\$25,000 5 years @ 6%
Pachamama (LNB Inc.)	Leanne Braid and Adam McConnel	Antigonish	\$20,000 5 years @ 6%
Peddler's Pot Mobile Food	Robert MacEachern and Geoff MacDonald	Dartmouth	\$20,000 5 years @ 6%
Casson Family Farm	Marcus Casson	New Annand	\$15,000 5 years @ 6%
Studio East Food + Drink	Saronn Pov and Ray Bear	Halifax	\$20,000 5 years @ 6%
South Hill Farms	David Kopriva	Clementsvale	\$22,000 5 years @ 6%
Michael and Carrie Poyser Farm	Michael and Carrie Poyser	Hall's Harbour	\$25,000 5 years @ 6%
Sam Etemadi Farm	Sam Etemadi	Scott's Bay	\$20,000 5 years @ 6%
Grant Simpson Farm	Grant Simpson	Hall's Harbour	\$8,000 5 years @ 6%
West Nova Agro Commodities	Jonathan McClelland, Manager	Lawrencetown	\$25,000 5 years @ 6%

Duck's Garden and Variety	John Duckworth	Tusket	\$25,000 5 years @ 6%
Humble Pie	Shauna MacLean, Mike Noakes	Dartmouth	\$25,000 5 years @ 6%
HumbleBee Farm	Elizabeth Faires	Wilmot Station	\$10,000 5 years @ 6%
Sober Island Brewing	Rebecca Atkinson	Sheet Harbour	\$25,000 5 years @ 6%
Henny Penny's Farm Market	Nadia Gerrits	New Minas	\$10,000 5 years @ 6%
Old Mill Aquafarm	Karen and Royal Stevens	Lunenburg	\$25,000 5 years @ 6%
Soggy Owl Acres	Anne Warburton	Musquodoboit	\$8,000 5 years @ 6%
Harding Farm	John and Krista Harding	Wileville	\$12,000 5 years @ 6%
All Sauced Up Inc.	Vickie Gourley	Truro	\$20,000 5 years @ 6%
Riot Snack Bar	Nicole Tufts and Sonia Gillies-Damota	Halifax	\$10,000 5 years @ 6%
Terra Mushrooms Ltd.	Adam Roach and William Freymond	Carroll's Corner	\$15,000 5 years @ 6%
Food Intuition Catering	Kim MacQuarrie	West Petpeswick	\$20,000 5 years @ 6%

(d) The Issuer has / does not have an exit strategy for the investments.  
However, all the investments are loans with terms of ten years or less.

**Potential investors should note that if specific eligible investments are not described in this offering document, the Issuer must comply with Section 20 of the CEDC Regulations.**

## Capital Structure

**25. The following table describes the authorized capital of the Issuer:**

Name of Security	Description of Attributes
Common Shares	Par Value of \$100 (one hundred dollars) One Vote per Shareholder Non-redeemable Non-convertible Non-retractable Not restricted in profit-sharing or participation upon dissolution.

26. The following table describes the capital structure of the Issuer and also what the capital structure will be on the conclusion of the Offering:

Column 1	Column 2	Column 3	Column 4	Column 5
Name of Security	Number Authorized	Total Dollar Value and Number Outstanding on Latest Financial Statements	Transactions in Interim Period to Date of Offering Document	Total Dollar Value and Number Outstanding at Initial Closing @ Minimum @ Maximum
<i>(Loans/ other indebtedness)</i>	0	0	0	0
<i>(Preferred shares)</i>	0	0	0	0
<i>(Common shares)</i>	Unlimited	\$1,400,700 (14,007)	0	\$1,450,700 (14,007) \$2,400,700 (24,007)

## Use of Proceeds

27. The funds raised in the Offering will be used as indicated in the following table:

	If Minimum Sold	%	If Maximum Sold	%
<b>Total Proceeds</b>	\$50,000	100	\$1,000,000	100
Less: Offering expenses				
Commissions	\$1,500	3	\$15,000	1.5
Promoter fees	0		0	
Legal & accounting	\$1,000	2	\$5,000	0.5
Copying & other expenses	\$500	1	\$5,000	0.5
Total cost of offering	\$3,000	6	\$25,000	2.5
Net Proceeds from Offering	\$47,000	94	\$975,000	97.5
<b>Use of Net Proceeds</b>				
Investments	\$47,000	94	\$975,000	97.5
Administration	\$940	2	\$19,500	2
<b>Total Use of Net Proceeds</b>	\$46,060	91	\$955,500	95.5

28. The proceeds set forth under the column “If Minimum Sold” will be used in the following order of priority:

Proceeds will be used for payment of the costs of the issue and the rest will be invested in farms and food-related businesses. The Board of Directors will assess all applications and make final decisions on specific local business entities for investment.

29. Amounts and sources of material amounts of funds from other sources than the Offering that are to be used in conjunction with the proceeds from the Offering:

No funds from other sources will be used in conjunction with the proceeds of this offering.

30. Financial problems the Issuer is having or anticipates having within the next 12 months:  
The issuer does not have and does not anticipate any cash flow or liquidity problems. The issuer is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the issuer to make payments.
31. The proceeds from the Offering will satisfy the Issuer's cash requirements for the next 12 months, and it will not be necessary to raise additional funds.

### **Financial Forecasts or Projections**

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32. Description of assumptions used in making the future-oriented financial information:  
No future-oriented projections are available.

### **Dividends, Distributions and Redemptions**

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33. Particulars of the Issuer's dividend policy:  
Dividends will be based upon the performance of the Fund; the dividends will be paid at the discretion of the management of the Issuer.
34. Details of dividends and other distributions paid by the Issuer to its security holders during the last 5 years:  
No distributions have been paid from the fund.

### **Promoters of the Issuer**

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35. The Promoters of the Issuer are:

**Name:** Linda M Best  
 Business street address: 70 Eden Row, Wolfville, NS, B4P 2R2  
 Business telephone number: (902)542-3442  
 Business fax number: (902)542-5812

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Helicobacter Research Lab, Gastroenterology Department, CDHA, Principle Investigator, Research and Supervision of students, 1995 – 2012  
Alderbrook Sales, Proprietor, Business Consulting, 1986 – Present

Education (degrees, schools and dates):  
BSc, Acadia University, 1966

Nature of projects during the last 5 years if not described above:  
Presenter, First Author, Research on Helicobacter pylori infection and antibiotic resistance  
Founding Member and Chair, Friends of Agriculture in Nova Scotia  
Founding Member and Treasurer of FarmWorks Investment Co-operative Limited  
Consulting to food-related organizations

Also a director of the Issuer? Yes X No

Amount of time to be spent on the Issuer's matters, if less than full time: 40 hours per week

**Name:** Ann Anderson  
Business street address: 27 Pleasant Street, Wolfville, NS, B4P 1M6  
Business telephone number: (902) 542-0572

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Retired 2004

Education (degrees, schools and dates):

Certificat en Androgogie, Université Laval, Quebec, 1993

Honours BSc, Queen's University, Kingston, Ontario, 1962

Nature of projects during the last 5 years if not described above:

Founding Member and Secretary FarmWorks Investment Co-operative Limited

Founding Member Wolfville Community Fund (Community Foundation of Nova Scotia) 2009

Member Steering Committee Annapolis Valley Chapter of the Council of Canadians since 2005

Also a director of the Issuer? Yes X No

Amount of time to be spent on the Issuer's matters, if less than full time: 20 hours/week

**Name:** Jennifer Osburn  
Business street address: 185 Commercial Street, Berwick, B0P 1E0  
Business telephone number: (902) 538-0173

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Chef and Owner: Union Street Café, 2000-2016

Education (degrees, schools and dates):

University of King's College 1995

Nature of projects during the last 5 years if not described above:

Local food consulting for Ross Farm Museum Pedlar's Shop and other food-related businesses

Author of The Union Street Café Cookbook and JennyOsburn.com, a website devoted to celebrating the food of the Annapolis Valley and NS

Also a director of the Issuer? Yes X No

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

**Name:** Peter Hicklenton  
Business street address: 3305 Black Rock Road, Waterville, NS, B0P1V0  
Business telephone number: (902) 538 8304  
Business fax number: (902) 538 3878

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Agriculture and Agri-Food Canada

National Science Director, Sustainable Production Systems 2005-2012 (project and personnel management in agricultural research)

Partner (with spouse) – TSN home-based travel agency 2002-present (serving clients travel needs, specializing in independent and adventure travel)

Education (degrees, schools and dates):

B.Sc (Hons). Biology. University of Wales (Swansea) 1970-1973

M.Sc., Biology. McGill University. 1973-1975

Ph.D. Plant Science. University of British Columbia. 1975-1978

Nature of projects during the last 5 years if not described above:

Board of Directors and Corporate Social/Environmental Responsibility Committee Chair.  
Valley Credit Union

Advisor – FarmWorks Investment Co-operative Limited

Scientific mandate development for Agriculture and Agri-Food Canada Research Centres in Kentville, Charlottetown and St. John's.

Also a director of the Issuer? Yes X No.

Amount of time to be spent on the Issuer's matters, if less than full time: 5 hours per week

**Name:** Andrew Meade

Business street address: 455 Arnold Road, Waterville, NS, B0P 1V0

Business telephone number: (902) 691-4551

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Self Employed – Consultant for Offshore Corporate and Trust Structures 2001-2015

Education (degrees, schools and dates):

LL. B. – Dalhousie University 1990 – 1993

B.Comm. – Saint Mary's University 1985 – 1989

Also a director of the Issuer? Yes X No.

Amount of time to be spent on the Issuer's matters, if less than full time: 6 hours per week

**Name:** Chris Atwood

Business street address: 103 Water Street, Yarmouth, B5A 4P4

Business telephone number: 902-742-8475

Business fax number: 902-742-1027

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Community Business Development Corporation, Yarmouth, Executive Director, January 2005  
– present, Operations Manager

Education (degrees, schools and dates):

BSc. (Agr) Plant Protection, Nova Scotia Agriculture College, 1990

Nature of projects during the last 5 years if not described above:

South West Nova Community Access Society, Chair, May 2010 – Present

Yarmouth Development Corporation, Chair, April 2011 – Present

Nova Scotia Institute of Agrologists, President, April 2009 – March 2010  
Nova Scotia Chambers of Commerce, Chair, May 2011 – July 2013, Truro  
Director of FarmWorks Investment Co-operative, June 2014 - Present

Also a director of the Issuer? Yes X No.

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

**Name:** Valerie VanOostrum  
Business street address: 11865 Hwy # 1, Grand Pre, NS  
Business telephone number: 902-670-8388  
Business fax number: 902-542-4436

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Just Us! Coffee Roasters Co-op, Member Owner, Sales Representative, Customer Service,  
1999 – Present

Education (degrees, schools and dates):

B.Comm, Saint Mary's University, 1997

Nature of projects during the last 5 years if not described above:

Board member of Just Us! Coffee Roasters Co-op, 1999 to Present  
Representative of Just Us! On the ECO Milk board  
Director of FarmWorks Investment Co-operative, June 2014 to Present

Also a director of the Issuer? Yes X No.

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

**Name:** John Webster  
Business street address: 114 Oxford St., Stellarton, NS, B0K 1S0  
Business telephone number: (902) 755-1881

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Sobeys, Lead Modeller, Centre of Excellence – Sales Optimization, May 2014 – present  
Sobeys, Lead Business Analyst, IT – Decision Support Services, 2009 - 2014

Education (degrees, schools and dates):

MBA – Marketing / Marketing Informatics, Dalhousie University, 2002  
Bachelor of Commerce / Finance, Bachelor of Arts / Political Science, Saint Mary's University  
1997

Also a director of the Issuer? Yes X No.

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

## Officers of the Issuer

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36. The officers of the Issuer are:

**Name:** **Peter Hicklenton, Chair**  
Business street address: 3305 Black Rock Road, Waterville, NS, B0P1V0  
Business telephone number: (902) 538 8304  
Business fax number: (902) 538 3878

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

*Agriculture and Agri-Food Canada*

*National Science Director, Sustainable Production Systems 2005-2012 (project and personnel management in agricultural research)*

*Partner (with spouse) – TSN home-based travel agency 2002-present (serving clients travel needs, specializing in independent and adventure travel)*

Education (degrees, schools and dates):

*B.Sc (Hons). Biology. University of Wales (Swansea) 1970-1973*

*M.Sc., Biology. McGill University. 1973-1975*

*Ph.D. Plant Science. University of British Columbia. 1975-1978*

Nature of projects during the last 5 years if not described above:

*Board of Directors and Corporate Social/Environmental Responsibility Committee Chair. Valley Credit Union*

*Director, Co-chair, FarmWorks Investment Co-operative Limited*

*Scientific mandate development for Agriculture and Agri-Food Canada Research Centres in Kentville, Charlottetown and St. John's.*

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 5 hours per week

**Name:** **Linda M Best, Treasurer**  
Business street address: 70 Eden Row, Wolfville, NS, B4P 2R2  
Business telephone number: (902)542-3442  
Business fax number: (902)542-5812

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

*Helicobacter Research Lab, Gastroenterology Department, CDHA, Principle Investigator, Research and Supervision of students, 1995 – 2012*

*Alderbrook Sales, Proprietor, Business Consulting, 1986 – Present*

Education (degrees, schools and dates):

*BSc, Acadia University, 1966*

Nature of projects during the last 5 years if not described above:

*Presenter, First Author, Research on Helicobacter pylori infection and antibiotic resistance*

Founding Member Nova Scotia Food Policy Council  
Founding Member and Secretary treasurer of FarmWorks Investment Co-operative Limited  
Consulting to food-related organizations

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 40 hours per week

**Name:** Ann Anderson, Secretary  
Business street address: 27 Pleasant Street, Wolfville, NS, B4P 1M6  
Business telephone number: (902) 542-0572

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Retired 2004

Education (degrees, schools and dates):

Certificat en Androgogie, Université Laval, Quebec, 1993  
Honours BSc, Queen's University, Kingston, Ontario, 1962

Nature of projects during the last 5 years if not described above:

Founding Member and Vice-chair FarmWorks Investment Co-operative Limited  
Founding Member of Wolfville Community Fund (Community Foundation of Nova Scotia)  
2009

Member Steering Committee Annapolis Valley Chapter of the Council of Canadians since 2005

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 20 hours/week

## **Directors of the Issuer**

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37. (a) There are 10 directors of the Issuer, all of whom come from the community, as required by the regulations made under the *Equity Tax Credit Act*.
- (b) At least 2 directors of the Issuer must be independent. The following are the names of the independent directors and a description of how they are independent:  
Two of the Directors of the Issuer are independent: Chloe Kennedy and David Bethune. They come from the community and are volunteer Members of the Board of Directors for FarmWorks Investment Co-operative Limited. None of them are officers, promoters, sales agents or key personnel to the Issuer or shareholders or members of any enterprises into which "blind pool" funds will be invested or have material relationships with the Issuer or Investee Corporations.
38. Information concerning each director of the Issuer, other than those already listed under the heading "Officers of the Issuer":

**Name:** Andrew Lawrence Meade  
Business street address: 455 Arnold Road, Waterville, NS, B0P 1V0  
Business telephone number: (902) 691-4551

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Self Employed – Consultant for Offshore Corporate and Trust Structures 2001-2015

Education (degrees, schools and dates):

LL. B. – Dalhousie University 1990 – 1993

B.Comm. – Saint Mary’s University 1985 – 1989

Nature of projects during the last 5 years if not described above:

Also a director of the Issuer? Yes X No

Amount of time to be spent on the Issuer’s matters, if less than full time: 6 hours per week

**Name: John Webster**

Business street address: 114 Oxford St., Stellarton, NS, B0K 1S0

Business telephone number: (902) 755-1881

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Sobeys, Lead Modeller, Centre of Excellence – Sales Optimization, May 2014 – present

Sobeys, Lead Business Analyst, IT – Decision Support Services, 2009 - 2014

Education (degrees, schools and dates):

MBA – Marketing / Marketing Informatics, Dalhousie University, 2002

Bachelor of Commerce / Finance, Bachelor of Arts / Political Science, Saint Mary’s University 1997

Also a director of the Issuer? Yes X No

Amount of time to be spent on the Issuer’s matters, if less than full time: 2 hours per week

**Name: Chloe Kennedy, Independent Director**

Business street address: 6250 Duncan Street Halifax NS B3L 1K3

Business telephone number: 902-789-2071

Business fax number: \_\_\_\_\_

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Lecturer, School for Resource and Environmental Studies, Dalhousie University 2015 - Present

Department of Natural Resources, Nature Interpreter 2016 - Present

Sustainability Education Department, Clean Foundation, Program Coordinator 2014 - 2016

Green Schools Nova Scotia, School Engagement Officer 2012 - 2013

Rural Research Center, NS Agricultural College, Wool Value Chain Research Project Coordinator 2011 – 2012

Faculty of Management, Dalhousie University, Teaching Assistant 2010 - 2011

Nova Scotia Department of Agriculture, Business Development Assistant 2009-2010

Education (degrees, schools and dates):

Master of Environmental Studies, Dalhousie University, 2011

Bachelor of Arts with Honours, St. Thomas University 2007

Nature of projects during the last 5 years if not described above:

Develop and deliver a one-semester graduate level course in environmental education

Coordinated the Clean Foundation's Clear the Air Education Program

Applied for Funding and Coordinated a province-wide Farm to School Program at the Clean Foundation

Edited articles in Journal of Interdisciplinary Management, Dalhousie, 2010

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

**Name:**

**Jennifer Osburn**

Business street address: 185 Commercial Street, Berwick, B0P 1E0

Business telephone number: (902) 538-0173

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Chef and Owner: Union Street Café, 2000-2016

Education (degrees, schools and dates):

University of King's College 1995

Nature of projects during the last 5 years if not described above:

Local food consulting for Ross Farm Museum Pedlar's Shop and other food-related businesses

Author of The Union Street Café Cookbook and JennyOsburn.com, a website devoted to celebrating the food of the Annapolis Valley and NS

**Name:**

**Chris Atwood**

Business street address: 103 Water Street, Yarmouth, B5A 4P4

Business telephone number: 902-742-8475

Business fax number: 902-742-1027

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Community Business Development Corporation, Yarmouth, Executive Director, January 2005 – present, Operations Manager

Education (degrees, schools and dates):

BSc. (Agr) Plant Protection, Nova Scotia Agriculture College, 1990

Nature of projects during the last 5 years if not described above:

South West Nova Community Access Society, Chair, May 2010 – Present

Yarmouth Development Corporation, Chair, April 2011 – Present

Nova Scotia Institute of Agrologists, President, April 2009 – March 2010

Nova Scotia Chambers of Commerce, Chair, May 2011 – July 2013, Truro

Director of FarmWorks Investment Co-operative, June 2014 - Present

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

**Name:** Valerie VanOostrum  
Business street address: 11865 Hwy # 1, Grand Pre, B4P 2R3  
Business telephone number: 902-670-8388  
Business fax number: 902-542-4436

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:  
Just Us! Coffee Roasters Co-op, Member Owner, Sales Representative, Customer Service,  
1999 – Present

Education (degrees, schools and dates):  
B.Comm, Saint Mary's University, 1997

Nature of projects during the last 5 years if not described above:  
Board member of Just Us! Coffee Roasters Co-op, 1999 to Present  
Representative of Just Us! On the ECO Milk board  
Director of FarmWorks Investment Co-operative, June 2014 to Present

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

**Name:** David Bethune, Independent Director  
Business street address: 1601 Lower Water St., Suite 400, Halifax, B3J 3P6  
Business telephone number: (902) 312-3276

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:  
PriceWaterhouseCoopers- Auditor (Current)  
FarmWorks Cooperative - Executive assistant, Accounting, Finance (Summer 2014)  
Ross Creek Centre for the Arts –Accounting/Finance (2013)  
Hutten Family Farm – Farm labourer (2009-2013)

Education (degrees, schools and dates):  
Acadia University '15 - Bachelor of Business Administration  
Dalhousie University '08 - Bachelor of Arts

Nature of projects during the last 5 years if not described above:

Also a director of the Issuer? Yes  No

Amount of time to be spent on the Issuer's matters, if less than full time: 2 hours per week

### **Key Personnel of the Issuer**

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39. The key personnel of the Issuer (i.e., those essential to the operations of the Issuer) who are not already named as officers, directors or promoters, are:

**Name:** Athena Koros, CPA, CMA

Business street address: 4 Prince Street, Wolfville, NS B4P 1P6

Business telephone number: (902) 670-0584

Business fax number: \_\_\_\_\_

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Owner: Accounting and Income Tax Services, Investigative and Forensic Accounting Services  
2015 to present

NSCCT: Nova Scotia College of Counselling Therapists (October 2014 – Present)

Financial Controller, Glooscap First Nation, (September 2013 – January 2015)

Accountant, MacKay Rentals /MacKay Real Estate Ltd. (December 2011 – September 2013)

40. Description of arrangements to ensure that each key person will remain with the Issuer and on termination of their relationship with the Issuer will not compete with the Issuer:

Key persons, Officers Peter Hicklenton, Ann Anderson and Linda Best have signed a document stating that they will remain with the Issuer and that they will not compete with the Issuer for a period of five years. There are no arrangements to ensure that Athena Koros will remain with the Issuer.

41. Details of any experience that the officers, directors or other key personnel of the Issuer have in working for or managing a company (including a separate subsidiary or division of a larger enterprise) in the same business as the Issuer:

None of the officers or directors or key personnel have worked in or managed a company in the same business as the Issuer.

42. Details of any experience that the officers, directors or other key personnel of the Issuer have in managing any other business in the start-up or development stage:

Richard Melvin has operated Melvin Farms since 1975 with his brother. New divisions and product development are on-going.

Linda Best started a pick-your-own orchard in 1973 and operated the business until 1986 at which time she started Frame Plus Art which in two years grew to include three stores with 10 employees and sales of \$220,000. As a Medical Research Principle Investigator she developed the Helicobacter Research Laboratory and attracted over \$500,000 in funding.

Peter Hicklenton is a Partner with his spouse in TSN home-based travel agency serving clients travel needs, specializing in independent and adventure travel, 2002 - present

Valerie VanOostrum has been a member owner and sales representative at Just Us Coffee Roasters Co-op since 1999

Dr. Bruce Wright started and has operated Elmwood Winery since 2002 and has been President of the South Shore Wine Growers Association since 2013 and the Haskap Growers Association since 2012.

Andrew Meade is engaged in small business venture financing, real estate investing and provides consulting and directorial services to individuals, companies and funds.

43. Details of the engagement by the Issuer of any key personnel who are not employees but are consultants or other independent contractors:  
*Athena Koros is a financial advisor for FarmWorks Investment Co-operative Limited and is an independent contractor providing accounting and financial services.*
44. Details of any petition under the *Bankruptcy and Insolvency Act* (Canada) that has been filed within the last 5 years against any officer, director, key personnel or Promoter, or any appointment by a court within the last 5 years of a receiver or receiver-manager for the business or estate of any of those persons, or any partnership in which any of those persons was general partner, or any corporation or business association of which any of those persons was an executive officer:  
*No petition under the Bankruptcy and Insolvency Act has been filed against any officer, director, key personnel, or promoter, nor has a receiver or receiver-manager been appointed by a court for the business or estate of any such persons, or any such partnership in which any such persons was general partner, or any corporation or business association of which any such person was an executive officer in the last 5 years.*

### **Principal Security Holders**

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45. The principal security holders of the Issuer (those who beneficially own directly or indirectly 10% or more of any securities of the Issuer presently outstanding) are as follows:  
*No individual or entity owns more than 10% of any securities of the issuer.*
46. Number of shares beneficially owned by officers and directors as a group:  
*Before Offering: 1,437 shares (10.3% of total outstanding)*

**Note: The officers and directors of the Issuer may subscribe for shares during the offering, in which case the number of shares beneficially owned by officers and directors as a group after the offering will increase.**

### **Management Relationships, Transactions and Remuneration**

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47. Descriptions of relationships by blood or marriage of the officers, directors, key personnel, Promoters and principal security holders: *(If there are no relationships by blood or marriage, so indicate.*  
*There are no relationships by blood or marriage of the officers, directors, key personnel, or Promoters.*
48. Explanation of any business dealings that took place within the last 2 years or that the Issuer is contemplating between the Issuer and any of its officers, directors, key personnel, Promoters or principal security holders, or any of their relatives or any entity controlled directly or indirectly by any of those persons, including any loans made or received by the Issuer:  
*There have been no business transactions including sales or leases of goods, property or services to or from the Issuer, employment contracts, or share, option or other purchase contracts, between the Issuer and any of its officers, directors, key personnel, or Promoters*

49. Details of any payments to officers, directors, key personnel and Promoters of the Issuer, including salary, bonuses, director's fees, honoraria and reimbursement of expenses:

There have been no such payments

50. Description of any employment agreements, either existing or contemplated, with officers, directors, key personnel or Promoters:

There are no such agreements.

51. (a) The Issuer has a Conflict of Interest Policy.

- (b) Details of all business or personal interests that the officers, directors, key personnel, Promoters or principal security holders of the Issuer, or any related parties, such as a relative of any of those persons or any entity controlled directly or indirectly by any of those persons, may have that could conflict with the interests of the Issuer:

There are no business or personal interests that the officers, directors, key personnel, or Promoters of the Issuer, or any related parties, such as a relative of any of those persons or any entity controlled directly or indirectly by any of those persons, may have with Pie r Squared, The Kilted Moose operating as Big Spruce Brewery and Eatery, Kingsville Farm, Stewart's Organic Farm, Oakview Farm, Meander River Farm, Valley Flaxflour, Meadowbrook Meat Market, Charcuterie Ratinaud French Cuisine, Wandering Shepherd Cheese/Fearann Kisha Farm, Rocky Top Farm, Helen B's Preserves, Savour Deli and Ice Cream, Local Source Market, Local Source and Catering, Gold Island Bakery, Vincent Food Dressings, Good Lake Farm, Field Guide Restaurant, Fruition, Hoppy's Farm; The Port Grocer Café and Art Space, Millennium Gardens Farm, Down on the Corner Farm, The Flying Apron Cookery, South Shore Farms, Getaway Farm, Getaway Meat Market, Boxing Rock Brewery, Forever Green Organic Farm, Rockwell Valley Foods, Meadow's Brothers' Farm, Jackson Lore' Strawberry Farm, Thousand Hills Farm, Uprooted Market and Café, BullyGoth Farm, Not Your Mama's Kitchen, Food Noise, Peddler's Pot Mobile Food, Casson Family Farm, Studio East Food+Drink, South Hill Farm, Fenol Farm / Photodynamic Inc., Michael and Carrie Poyser Farm, Sam Etemadi Farm, Grant Simpson Farm, West Nova Agro Commodities, Humble Pie, HumbleBee Farm, Duck's Garden Centre and Variety, Sober Island Brewery, Henny Penny's Farm Market, Old Mill Stream Aquafarm, Soagy Owl Acres, Harding Farm, All Sauced Up, Riot Local Food Snack Bar, Terra Mushrooms, Food Intuition Catering, or any of the owners thereof that could conflict with the interests of the Issuer.

## **Litigation**

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52. Past, current, pending or threatened litigation or administrative action that has had or may have a material effect upon the Issuer's business, financial condition or operations:

The Issuer and its Promoters, officers, directors and key personnel are not currently and have not been subject to any litigation or administrative or criminal action that is or has been material to the Issuer. Nor is the Issuer or its Promoters, officers, directors or key personnel aware that any such litigation or action is pending or threatened.

## Canadian Income Tax Considerations

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53. This commentary is of a general nature only and is not intended to be tax advice to any particular investor. Prospective investors are urged to consult with their own professional advisors regarding the tax consequences applicable to them. There may be significant income tax consequences to individuals who are residents of Canada under the *Income Tax Act* and the *Equity Tax Credit Act*.

The following is applicable to any individual (a "Subscriber") who subscribes for and is issued shares of the Issuer pursuant to the Offering and who is:

- i) an individual over 19 years of age.
- ii) resident in Canada for purposes of the Income Tax Act (Canada); and
- iii) resident in Nova Scotia for purposes of the Equity Tax Credit Act (Nova Scotia).

Subject to the assumptions set out in the paragraph above, a Subscriber will be entitled to a credit against the Subscriber's Nova Scotia provincial income taxes payable pursuant to the Equity Tax Credit Act. The amount of the credit is equal to 35% of the amount paid for the Shares, provided that each individual is limited to a maximum credit in any year of \$17,500. Shares subscribed and paid for in the first 60 days of any calendar year will be entitled to a credit in either that year or the immediately prior year. If the credit exceeds the Nova Scotia income tax otherwise payable in that year by the Subscriber, the credit may be carried forward 7 years and back 3 years and applied against Nova Scotia taxes otherwise payable in any of those years by the Subscriber.

These statements are subject to the following assumptions:

- i) The certificate of registration issued to the Issuer under the Equity Tax Credit Act is not revoked by the Minister of Finance prior to the issue of shares under this Offering;
- ii) The Issuer applies for a tax credit certificate after the Offering within the time limits established under the Equity Tax Credit Act;
- iii) The Minister of Finance concludes that the Issuer and its directors, officers and shareholders are conducting the Issuer's business and affairs in a manner that is in accordance with the spirit and intent of the Equity Tax Credit Act;
- iv) The Minister of Finance concludes that the Issuer and the Subscribers are complying with Equity Tax Credit Act;
- v) The Minister of Finance does not form the opinion that the shares are issued as part of a transaction or event or series of transactions or events the main purpose of which is to claim the tax credit pursuant to the Act.

Except as set out herein, if a Subscriber fails to hold the Shares for 5 years after their issue, then all Credits earned in relation to the subscription for such Shares must be repaid. The requirements to repay the Credits do not apply in cases where the Subscriber has died or in cases where the Subscriber transfers the shares to a trustee under a registered retirement savings plan.

There may be significant income tax consequences to individuals who are residents of Canada under

the Income Tax and the Equity Tax Credit Act.

**Transfer of Shares to an RRSP:**

Provided that the registration of the Issuer is not revoked under the Equity Tax Credit Act, the Shares will be qualified investments under the Income Tax Act for trusts governed by registered retirement savings plans. The transfer of shares to an RRSP will normally be done at the adjusted carrying value of the securities. This may result in a taxable capital gain or a non-deductible loss. Individuals who plan to purchase shares outside their RRSP, but transfer them later to their self-directed plan should consider the possible tax consequences of such transactions prior to finalizing any agreement.

**Transfer of Shares to a Tax Free Savings Account (TFSA):**

The shares purchased under the CEDIF program would not be qualified investments for a TFSA.

**Taxation of Dividends or Income Received by Security Holders on the Shares:**

Shareholders who hold shares within their RRSP need not be concerned with the manner in which the Fund distributes earnings. However, for individuals who purchase shares outside of the RRSP, consideration must be given to the tax implications of dividends versus interest income versus capital gains. Dividends received or deemed to be received on the Shares will be included in computing the Subscriber's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations.

**Treatment of Capital Gains or Losses Realized by Security Holders on Disposition:**

Persons holding shares within their RRSP need not concern themselves with the form returns are paid. For individuals who choose to hold these shares outside of their registered holdings, 50% of any capital gain (the "taxable capital gain") realized on a sale or other disposition of the Shares will be included in the Subscriber's income for the year of disposition. 50% of any capital loss so realized (the "allowable capital loss") may be deducted by the holder against taxable capital gains for the year of disposition. Any excess of allowable capital losses over taxable capital gains of the Subscriber for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years.

**Applicability of Alternative Minimum Tax to Security Holders:**

Investors are advised to seek professional advice from a qualified individual should they be in a position which may expose them to alternative minimum tax treatment. Capital gains realized by the Subscriber may give rise to alternative minimum tax under the Income Tax Act (Canada).

**Deductibility of Interest Expense on Money Borrowed to Purchase Shares:**

Interest incurred to earn income on investments held outside of one's RRSP is deductible against the income earned thereon; interest incurred on loans to purchase RRSP assets is not deductible.

**Availability of Tax Credits:**

Purchase of eligible shares entitles the investor to a provincial tax credit in the amount of 35% of the funds invested, invested to a maximum of a \$17,500 annual tax credit.

**Repayment of Tax Credits:**

The shares purchased under this program must be held by the purchaser for a period of not less than 5

years. If they are not held for this period the individual will have to repay the tax credits previously claimed. For any shares which subsequent tax credits are issued, the shares must be held for an additional period of time to avoid repaying these tax credits.

*No professional advisors were involved in the preparation of the answer to item 53.*

## Material Contracts

54. Particulars of every material contract (a contract that is fundamental to the business and day-to-day operations of the Issuer) entered into by the Issuer or, if applicable, any of its significant subsidiaries within 2 years before the date of the offering document:

Date	Name of Contract	Description
October 28, 2016	Valley Credit Union	Trustee Agreement
October 17, 2016	Non-compete document	Peter Hicklenton, Ann Anderson, Linda Best will not compete with the Issuer
May 18, 2012	Loan Agreement	Pie r Squared, Heather Lunan; \$10,000 - 5 years @ 6%
July 14, 2012 July 13, 2013	Loan Agreement	The Kilted Moose operating as Big Spruce, Jeremy & Melanie White: \$35,000 – each 5 years @ 6%
August 31, 2012	Loan Agreement	Fenol Farm, Sherri MacFarland, Colin Cameron: \$25,000 - 5 years @ 6%
October 1, 2015	Loan Agreement	Photodynamic Inc., Sherri MacFarland, Colin Cameron, and Martin Greenwood, \$18,000 – 5 years @ 6%
September 19, 2012	Loan Agreement	Stewart’s Organic Farm, Alan and Janice Stewart: \$20,000 - 5 years @ 6%
September 28, 2012	Loan Agreement	Kingsville Farm, Jamie and Laura Jensen, \$25,000 - 5 years @ 6%
November 12, 2012, August 28, 2016	Loan Agreement	Oakview Farm, Kevin and Jennifer Graham: \$29,500 - 5 years @ 6%
November 30, 2012	Loan Agreement	Meander River Farm, Alan and Brenda Bailey; \$25,000 - 5 years @ 6%
December 14, 2012	Loan Agreement	Valley Flaxflour, Howard Selig; \$5,000 – 5 years @ 6%
December 28, 2012	Loan Agreement	Meadowbrook Meat Market, Jim and Margie Lamb; \$25,000 – 5 years @ 6%
May 21, 2013 July 11, 2015	Loan Agreement	Charcuterie Ratinaud Cuisine, Frederic Tandy, \$50,000 – each 5 years @ 6%
May 22, 2013	Loan Agreement	Wandering Shepherd Cheese/Fearann Kisha Farm, Ron Muise and Christa MacKinnon, \$25,000 – 5 years @ 6%
February 25, 2013	Loan Agreement	Rocky Top Farm, Nelson Millett, \$25,000 – 5 years @ 6%
July 24, 2013 February 27, 2014	Loan Agreement	Rocky Top Farm, Nelson Millett, \$25,000 – 1 year @ 6%
April 6, 2013 September 21, 2013	Loan Agreement	Helen B’s Preserves, Michael Bishop, \$36,000 – each 5 years @ 6%

December 1, 2015		
June 26, 2013	Loan Agreement	Savour Deli and Ice Cream, Karine Moses, \$20,000 – 5 years @ 6%
July 9, 2013 Sept 16, 2016	Loan Agreement	Local Source Market, Sean Gallagher, \$35,000 – each 5 years @ 6%
September 11, 2013 Sept 16, 2016	Loan Agreement	Local Source Bakery and Catering, Sean Gallagher, \$35,000 – each 5 years @ 6%
August 13, 2013 June 22, 2016	Loan Agreement	Gold Island Bakery, Jessica Ross, \$20,000 – each 5 years @ 6%
November 14, 2013	Loan Agreement	Vincent Dressings, Gary Kent, \$15,000 – 5 years @ 6%
September 7, 2013	Loan Agreement	Good Lake Farm, James Lake, \$25,000 – 5 years @ 6%
October 2, 2013	Loan Agreement	Field Guide Restaurant, Dan Vorstermans and Ceilidh Sutherland, \$25,000 – 5 years @ 6%
November 21, 2013 July 31, 2014 October 10, 2015	Loan Agreement	Fruition, Jessie Doyle and Seth Graham, \$17,000 – each 5 years @ 6%
December 14, 2013 January 11, 2014 February 2, 2016	Loan Agreement	Hoppy's Farm, Byford Hopkins, \$28,941 – each 5 years @ 6%
March 20, 2014	Loan Agreement	Port Grocer, Annabelle Singleton, Deborah Melanson, \$25,000 – 5 years @ 6%
January 5, 2015	Loan Agreement	Port Grocer, Annabelle Singleton, Deborah Melanson, \$25,000 – 10 years @ 6%
April 5, 2014 April 15, 2015	Loan Agreement	Millennium Gardens, Victoria and Scott Conrad, \$27,000 – each 5 years @ 6%
April 20, 2014 April 15, 2015	Loan Agreement	Down on the Corner Farm, Dave and Anita Lahey, \$20,000 – 5 years @ 6%
May 17, 2014 November 2015	Loan Agreement	The Flying Apron, Chris and Melissa Velden, \$50,000 – 5 years @ 6%
June 20, 2014	Loan Agreement	Getaway Farm, Poyser Family and Kennedy Family, \$25,000 – 5 years @ 6%
February 17, 2015	Loan Agreement	Getaway Farm, Poyser Family and Kennedy Family, \$50,000 – 10 years @ 6%
June 21, 2014	Loan Agreement	South Shore Farm Ltd., David Eisnor, \$25,000 – 5 years @ 6%
July 21, 2014	Loan Agreement	Boxing Rock Brewing Company, Emily Tipton & Henry Pedro, \$25,000 – 5 years @ 6%
August 18, 2014	Loan Agreement	Forever Green Organic Farm, Terry & Mary Boyle, \$25,000 – 5 years @ 6%
September 25, 2014	Loan Agreement	Rockwell Valley Foods, Jason Rockwell, \$25,000 – 5 years @ 6%
February 25, 2015	Loan Agreement	Meadows Brother's Farm, Thian and Emily Carman, \$25,000 – 5 years @ 6%

March 7, 2015	Loan Agreement	Lore's Strawberry Farm, Jackson Lore, \$10,000 – 5 years @ 6%
April 8, 2015 July 19, 2016	Loan Agreement	Uprooted Market, Emily Kiley, \$16,300 – each 5 years @ 6%
April 29, 2015	Loan Agreement	BullyGoth Farm, Sasha Begg, \$15,000 – 5 years @ 6%
March 24, 2015	Loan Agreement	Thousand Hills Farm, Kevin Hamilton, \$6,000 6 months @ 6%
May 19, 2015 April 20, 2016	Loan Agreement	Not Your Mama's Kitchen, Kirk Rasmussen, \$30,500 – each 5 years @ 6%
May 22, 2015	Loan Agreement	Food Noise, Tanessa Holt, \$25,000 – 5 years @ 6%
June 6, 2015	Loan Agreement	Avondale Sky Winery, \$25,000 – 5 years @ 6%
June 7, 2015	Loan Agreement	LNB Inc. (Pachamama), Leanne Braid and Adam McConnel, \$20,000 – 5 years @ 6%
June 9, 2015	Loan Agreement	Peddlers Pot Mobile Food, Robert MacEachern, \$20,000 – 5 years @ 6%
July 1, 2015	Loan Agreement	Casson Family Farm, Marcus Casson, \$15,000 – 5 years @ 6%
August 1, 2015	Loan Agreement	Studio East Food+Drink, Saronn Pov and Ray Bear, \$20,000 – 5 years @ 6%
August 31, 2015	Loan Agreement	South Hill Farms, David Kopriva, \$22,000 - 5 years @ 6%
October 13, 2015	Loan Agreement	Michael and Carrie Poyser, \$25,000 – 5 years @ 6%
October 24, 2015	Loan Agreement	Sam Etemadi Farm name pending, \$15,000 – 5 years @ 6%
November 8, 2015	Loan Agreement	Grant Simpson Farm name pending, \$8,000 – 5 years @ 6%
November 9, 2015	Loan Agreement	West Nova Agro Commodities, \$25,000 – 5 years @ 6%
December 18, 2015 September 19, 2016	Loan Agreement	Duck's Garden and Variety, John Duckworth, \$25,000 - 5 years @ 6%
January 15, 2016	Loan Agreement	Humble Pie Kitchen, Shauna MacLean, Mike Noakes, \$25,000 - 5 years @ 6%
January 16, 2016	Loan Agreement	HumbleBee Farm, Elizabeth Faires, \$10,000 - 5 years @ 6%
February 22, 2016 April 24, 2016	Loan Agreement	Sober Island Brewing, Rebecca Atkinson, \$25,000 – each 5 years @ 6%
February 16, 2016	Loan Agreement	Henny Penny's Farm Market, Nadia Gerrits, \$10,000 - 5 years @ 6%
February 18, 2016	Loan Agreement	Old Mill Aquafarm, Karen and Royal Stevens, \$25,000 - 5 years @ 6%

April 7, 2016	Loan Agreement	Soggy Owl Acres, Anne Warburton, \$8,000 - 5 years @ 6%
July 14, 2016	Loan Agreement	Harding Farm, John and Krista Harding, \$12,000 - 5 years @ 6%
July 20, 2016 September 12, 2016	Loan Agreement	All Sauced Up Inc., Vickie Gourley, \$20,000 - 5 years @ 6%
August 16, 2016	Loan Agreement	Riot Local Food Snack Bar, Nicole Tufts and Sonia Gillies-Damota, \$10,000 - 5 years @ 6%
September 26, 2016	Loan Agreement	Terra Mushrooms Ltd., Adam Roach, William Freymond, \$15,000-5 years @ 6%
September 26, 2016	Loan Agreement	Food Intuition Catering, Kim MacQuarrie, \$20,000 - 5 years @ 6%

These contracts may be reviewed at the office of FarmWorks Investment Co-operative Limited at 70 Eden Row, Greenwich, NS, from Monday to Friday between 9 am and 5 pm.

### **Financial Statements**

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55. Annual financial statements of the Issuer for the period ending December 31<sup>st</sup>, 2015 are attached and form part of this document. Interim financial statements covering the period from January 1<sup>st</sup> to September 30<sup>th</sup> 2016 are also attached and form part of this document.

**Note: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.**

### **Continuous Reporting Obligations**

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56. (a) The Issuer will file with the Nova Scotia Securities Commission and send to Security holders annual financial statements and semi-annual interim financial statements as required by the CEDC Regulations.
- (b) If a material change occurs in the operation of the Issuer, a press release along with a material change report must be filed with the Nova Scotia Securities Commission no later than 10 days after the date on which the change occurs.

### **Restrictions on Resale of Securities**

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57. Under the *Equity Tax Credit Act*, a person who disposes of a share in respect of which a tax credit has been allowed within 5 years from the date of purchase is liable to repay the Minister of Finance an amount equal to the tax credits received in respect of the share purchased, including interest, if interest is prescribed by the regulations made under that Act, or a lesser amount that is determined in accordance with the regulations under that Act.

Under Nova Scotia securities laws, trades by a Security holder of Shares of the Issuer purchased under this Offering will be restricted and each first trade and each subsequent trade will be a distribution unless, in accordance with subsection 2.5(2) of National Instrument 45-102 Resale of Securities:

- (a) the Issuer is and has been a reporting issuer in a jurisdiction of Canada for the 4 months immediately preceding the trade;
- (b) the Shares have been held for the 4-month hold period from the date of the initial exempt trade;
- (c) the certificate representing the Shares carries a legend and there is notice of the restriction as set out in paragraphs 2.5(2) 3 and 3.1 of National Instrument 45-102 *Resale of Securities*;
- (d) the trade is not a control distribution as defined in subclause 2(1)(l)(iii) of the Act;
- (e) no unusual effort is made to prepare the market or to create a demand for the Shares;
- (f) no extraordinary commission or consideration is paid to anyone in respect of the trade; and
- (g) if the vendor is an insider or officer of the Issuer, the vendor has no reasonable grounds to believe that the Issuer is in default of securities legislation.

However, first and subsequent trades by a Security holder of Shares of the Issuer purchased under this Offering are permitted in the following circumstances, in accordance with clause 3(5)(b) of the CEDC Regulations:

- (a) to the CEDC in accordance with section 2.15 of National Instrument 45-106 *Prospectus and Registration Exemptions*;
- (b) to a self-directed registered retirement savings plan of the security holder or the security holder's spouse;
- (c) to the spouse of the security holder;
- (d) to a tax-free savings account of the security holder or the security holder's spouse;
- (e) from a self-directed registered retirement savings plan of the security holder or the security holder's spouse to the security holder;
- (f) from a tax-free savings account of the security holder to the security holder or the security holder's spouse;
- (g) to a purchaser who owns shares of the CEDC and who is advised in writing by or on behalf of the vendor before entering into an agreement of purchase and sale that the purchaser will not accrue any advantage under the *Equity Tax Credit Act* as a result of the purchase; or
- (h) to a purchaser who purchases by way of a trade made in compliance with the Act and any applicable Securities Rules.

**Caution:** The Shares are not listed on a stock exchange. There is no organized market through which these Shares may be sold. Therefore, investors may find it difficult or even impossible to sell their Shares.

## **Rights of Action**

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Items 58 and 59 describe the rights of action in Section 138 and subsection 146(2) of the Act.

58. (1) If
- (a) an offering document sent or delivered to a purchaser, together with any amendment to the offering document; or
  - (b) any advertising or sales literature as defined by subsection 56(2) of the Act
- contains a misrepresentation, a purchaser who purchases a security referred to in it is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase.
- (2) Under subsection 138(1) of the Act, a purchaser referred to in item 58(1)
- (a) has a right of action for damages against
    - (i) the seller,
    - (ii) every director of the seller at the date of the offering document, and
    - (iii) every person who signed the offering document;or
  - (b) may elect to exercise a right of rescission against the seller, in which case the purchaser has no right of action for damages against any person or company under clause (a).
- (3) No person or company is liable under subsection 138(1) of the Act if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.
- (4) No person or company is liable under subsection 138(1) of the Act if the person or company proves that
- (a) the offering document or the amendment to the offering document was sent or delivered to the purchaser without the person's or company's knowledge or consent and, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
  - (b) after delivery of the offering document or the amendment to the offering document and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering document, or amendment to the offering document, the person or company withdrew the person's or company's consent to the offering document, or amendment to the offering document, and gave reasonable general notice of the withdrawal and the reason for it; or
  - (c) with respect to any part of the offering document or amendment to the offering document 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 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 document or amendment to the offering document
    - (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.
- (5) No person or company is liable under subsection 138(1) of the Act with respect to any part of an offering document or amendment to the offering document 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 or company
- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (b) believed that there had been a misrepresentation.
- (6) Items 58(4) and (5) do not apply to the seller if the seller is also the Issuer.
- (7) In an action for damages described in item 58(2)(a), the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.
- (8) The liability of all persons or companies referred to in item 58(2)(a) is joint and several with respect to the same cause of action.
- (9) A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable under Section 138 of the Act to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.
- (10) The amount recoverable by a plaintiff under Section 138 of the Act may not exceed the price at which the securities were offered under the offering document or amendment to the offering document.
- (11) The rights of action for rescission or damages described in this item are in addition to and without derogation from any other right or remedy that a Security holder might have at law.
- (12) If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, an offering document or amendment to the offering document, the misrepresentation is deemed to be contained in the offering document or amendment to the offering document.

- (13) For the purpose of item 58(1), advertising or sales literature is deemed not to contain a misrepresentation unless the advertising or sales literature
- (a) contains an untrue statement of material fact; or
  - (b) omits to state a material fact that is necessary to prevent a statement contained in the advertising or sales literature from being misleading in light of the circumstances in which the statement was made.
- (14) In this item, for greater certainty, “seller” includes the Issuer if the securities are distributed by the Issuer.

59. An action must not be commenced to enforce the rights described in item 58 more than 120 days after the date on which payment was made for the Shares.

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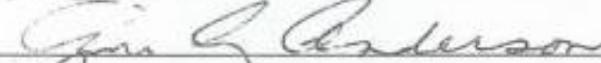
**Certificate**

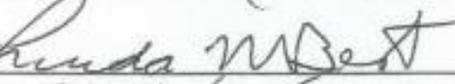
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60. This offering document, which has been prepared as prescribed by Form 1 of the CEDC Regulations, does not
- (a) contain an untrue statement of material fact;
  - (b) omit to state a material fact required by Form 1; or
  - (c) omit to state a material fact necessary to make a statement in this offering document not misleading.

Dated at Greenwich, on November 21, 2016 (date).

Chair: Peter Hicklenton 

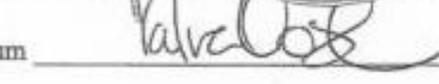
Secretary: Ann Anderson 

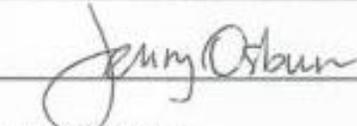
Treasurer: Linda Best 

Director: John Webster 

Director: Andrew Meade 

Director: Chris Atwood 

Director: Valerie VanOostrum 

Director: Jennifer Osburn 

- (This certificate must be signed by all of the following:*
- the chief executive officer*
  - the chief financial officer*
  - on behalf of the board of directors, any 2 directors of the Issuer who are duly authorized to sign, other than the foregoing*
  - all promoters of the Issuer.)*