

PROSPECTUS

Continuous Offering

November 25, 2020

SASKWORKS VENTURE FUND INC.

Class A – Series A Class A – Series F
Class R – Series A Class R – Series F

Continuous Offering Price:	Net Asset Value per Share for each series of Class A or Class R share
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The Fund: SaskWorks Venture Fund Inc. (the “**Fund**”) is registered as a labour-sponsored venture capital corporation under *The Labour-sponsored Venture Capital Corporation Act* (Saskatchewan) (the “**Act**”).

The Fund makes investments in a diversified portfolio of Eligible Businesses (as herein defined), and securities of eligible Canadian private and public companies, with the objective of achieving long-term capital appreciation. The Fund’s investment objective and strategies are described later in this document. See “**Investment Objectives**” and “**Investment Strategies**”.

The Sponsor: The sponsor of the Fund is SaskWorks Federation of Unions, a federation currently comprised of certain Saskatchewan union locals of Unifor (Saskatchewan Area Council), a trade union as defined in *The Saskatchewan Employment Act*, as well as other locals and associations. See “**Organization and Management Details of the Fund – Management of the Fund**”.

The Manager: The manager and portfolio advisor of the Fund is PFM Venture Capital Operations Inc., a Saskatchewan corporation. See “**Organization and Management Details of the Fund – Management of the Fund – Manager of the Fund**”.

The Offering: Pursuant to the Act, Subscriber Shares (as herein defined) may only be issued to an individual who is a resident in Saskatchewan on the last day of the taxation year for which he or she applies for a tax credit, or to such individual’s, or to his or her spouse’s or common law partner’s, RRSP or an individual purchasing Subscriber Shares during the taxation year in respect of which he or she intends to apply for the tax credits applicable to such purchase. The onus rests with the individual to ensure that he or she is still resident in Saskatchewan (for purposes of payment of provincial income tax) on December 31st of that year. If this is not the case, such individual will not be eligible for the applicable Saskatchewan tax credit in respect of the purchase of the Subscriber Shares. See “**Description of the Securities Distributed**” and “**Income Tax Considerations**”.

Individual Saskatchewan residents (other than trusts) intending to apply the Federal tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date (as herein defined) will be eligible for a Federal tax credit for the 2020 taxation year equal to 15% of the individual’s net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000). Individual Saskatchewan residents (other than trusts) not intending to apply the Federal tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be eligible for a Federal tax credit for the 2021 taxation year equal to 15% of the individual’s net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000). See “**Income Tax Considerations**”.

Individuals intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date will also be eligible for a Saskatchewan tax credit equal to 17.5% of the individual’s net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). Individuals not intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be eligible for a Saskatchewan tax credit to their taxes payable for the 2021 calendar year equal to 17.5% of the individual’s net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). See “**Income Tax Considerations**”.

Subscriber Shares may also be issued directly to certain RRSPs (as herein defined) and an individual may claim the Provincial and Federal tax credits for the year in respect of the purchase of Subscriber Shares by the RRSP. While Subscriber Shares, provided certain conditions are met, can be qualified investments for a TFSA (as herein defined), under the Act the Fund cannot issue Subscriber Shares to TFSAs and Subscriber Shares cannot be transferred by an individual to a TFSA. Unless and until amendments are made to the Act, Subscriber Shares may not be purchased by or transferred to TFSAs. See **“Description of the Securities Distributed”** and **“Income Tax Considerations”**.

The minimum initial subscription for Subscriber Shares is \$500 with a minimum subsequent subscription of \$100, subject to waiver by the Fund to accommodate preauthorized contribution plans and payroll deduction plans. The maximum dollar amount of Subscriber Shares that can be issued in each of the 12-month periods ending March 31, 2021 and March 31, 2022 is \$35 million. The maximum dollar amount of Class R Shares that can be issued in the 12-month period ending March 31, 2021 is \$5 million. The maximum dollar amount of Class A Shares that can be issued in the 12-month period ending March 31, 2021 is \$35 million or, if any Class R Shares have been issued during that 12-month period, an amount equal to \$35 million less the dollar amount of such Class R Shares issued as of that time. See **“Description of the Securities Distributed”**.

The Subscriber Shares consist of Class A – Series A, Class A – Series F, Class R – Series A and Class R – Series F shares of the Fund. As described in more detail in this prospectus, the proceeds of an investment in Class R shares are primarily invested in qualifying businesses engaged in the resource sector industry, whereas the proceeds of an investment in Class A shares are invested in a broader cross-section of qualifying businesses and industries, which may include but is not limited to an investment in qualifying resource sector businesses. The Class A shares and the Class R shares each have their own investment portfolio made up of Eligible Investments (as herein defined) that will be made using only the subscription proceeds raised through the issuance of that class of shares or gains derived from that class of share’s investment portfolio. Each of the Class A and Class R shares’ investment portfolios will be allocated proportionately to each series of either the Class A or Class R shares based on the relative share capital of each series within that class of share. Series A and Series F shares, whether Class A or Class R, have essentially the same rights and privileges except that neither Base Commission nor a Trailer Commission (as herein defined) is payable to the Agent or a Sub-Agent in respect of the sale of Series F shares. Class A – Series F shares and Class R – Series F shares are intended for certain registered Sub-Agents who do not charge their clients a commission for an investment of this nature. See **“Description of the Securities Distributed – Subscriber Shares”**.

Subject to the maximum limits on the number of Class A Shares and Class R Shares that may be issued in the 12-month period ending March 31, 2021, investors may allocate all of their subscription to Class A – Series A, Class A – Series F, Class R – Series A or Class R – Series F shares or a combination of such series of classes of Subscriber Shares. Subscriptions received will be subject to rejection or allotment in whole or in part in the discretion of the Fund. The Subscriber Shares are offered for sale only through registered dealers or other persons licensed to sell Subscriber Shares of the Fund. See **“Description of the Securities Distributed”**.

As at August 31, 2020, the Fund had total equity of \$407,522,533 (August 31, 2019 – \$460,863,583) of which \$357,223,173 (August 31, 2019 – \$391,480,200) was attributable to the capital raised through the issuance of Class A – Series A shares, \$9,810,696 (August 31, 2019 – \$8,130,789) was attributable to the capital raised through the issuance of Class A – Series F shares, \$40,353,715 (August 31, 2019 – \$61,118,004) was attributable to the capital raised through the issuance of Class R – Series A shares and \$134,949 (August 31, 2019 – \$135,000) was attributable to the capital raised through the issuance of Class R – Series F shares. All Subscriber Shares will be valued weekly and sold at their respective Net Asset Value per Share. As at the date of this prospectus, the Sponsor is the registered holder of 10 Class B shares (being all of the issued and outstanding Class B Shares). Each series of class of shares will have a separate accounting such that the net assets attributable to each series of class of shares will be reflected in the financial statements.

Redemption:

The Manager believes that the Fund can satisfy redemption requests for any series of Class A shares and/or Class R shares in the ordinary course. However, if cash inflows from income and principal repayments, divestment activity or sales of any series of Class A or series of Class R shares are materially lower than expected, or if levels of any series of Class A or series of Class R shares redemption requests or expenses are materially higher than expected, the Fund may not have sufficient cash available to process redemption requests in the ordinary course or make new investments. See **“Investment Strategies”** and **“Risk Factors – Lack of Liquidity”**.

An investment in the Fund is appropriate only for investors who are able to make a long-term investment and who have the capacity to absorb a loss of some or all of their investment. In addition, Class R Shares are highly speculative in nature given the investment focus for such shares in the energy, mining, and related sectors.

There is no guarantee that an investment in the Fund will earn a regular rate of return. In addition to the tax benefits of investing in Subscriber Shares, prospective investors should fully assess the investment merits of the Fund. Although the Fund is a “mutual fund” as defined under the securities legislation applicable in the Province of Saskatchewan, some of the rules designed to protect investors who purchase securities of mutual funds in Saskatchewan do not apply to the Fund. In particular, compliance with rules directed at ensuring liquidity and diversification of investments and certain other investment restrictions and practices normally applicable to mutual funds do not apply. **See “Risk Factors”.**

The Fund may have a contingent liability for the repayment of tax credits in certain circumstances. In most cases, investors must repay any tax credits received as a result of their investment in the Fund if their Subscriber Shares are redeemed within eight years of purchase. **See “Fees and Expenses – Fees and Expenses Payable by the Investor”.** The Fund is prohibited by law from making redemptions in certain circumstances. The Fund may suspend redemptions for substantial periods of time in some circumstances, and, in any financial year, the Fund will not be required to redeem Subscriber Shares where the total redemptions in the Fiscal Year (as herein defined) would exceed either 20% of the Fund’s retained earnings or 50% of the Fund’s earnings after taxes for the previous year in the series of Subscriber Shares of which redemption is requested. Investors may not be able to dispose of their Subscriber Shares other than by way of redemption as there is no formal market, such as a stock exchange, through which the Subscriber Shares may be sold. **See “Income Tax Considerations” and “Description of the Securities Distributed – Subscriber Shares”.**

Distribution:

The Subscriber Shares will be distributed at their Net Asset Value per Share next determined after receipt of a purchase order. Accordingly, the price at which Subscriber Shares may be purchased can vary from purchaser to purchaser and during the period of distribution.

Careful consideration should be given to the risk factors associated with making an investment in the Fund. Risks include those attributable to:

- the nature of the investment;
- legislative changes;
- a lack of liquidity and diversification of portfolio securities;
- a lack of liquidity of the Subscriber Shares;
- potential revocation of the Fund’s registration under the Act;
- non-compliance with investment requirements;
- use of proceeds to fund redemptions;
- industry concentration;
- reliance on management;
- conflicts of interest;
- indemnification of the Manager and its officers and directors;
- follow-on financings;
- external factors;
- uncertainties inherent in the valuation of portfolio securities;
- the role of the Manager;
- IPA payable; and
- inability to use tax credits.

See “Risk Factors” later in this document for further details. Investors should consult with their own financial and tax advisors before making an investment in the Fund.

The Subscriber Shares will be distributed on a best efforts basis primarily through the Agent. The investor may contact the Agent for a list of Sub-Agents who are also authorized to sell Subscriber Shares to residents in the Province of Saskatchewan.

The Fund may declare such dividends on the Subscriber Shares out of monies legally available for dividends as the Fund may determine is appropriate, from time to time. There has been no cash dividend distribution by the Fund since its inception. The Fund intends to capitalize annually certain amounts of its interest and other

investment income (other than dividends in respect of taxable Canadian corporations) and capital gains to the extent necessary to obtain a refund of the tax otherwise payable on its taxable capital gains and to reduce the tax otherwise payable by it on its interest and other investment income (other than dividends in respect of taxable Canadian corporations). **See “Distribution Policy”.**

**Additional
Information:**

Additional Information about the Fund is available in the following documents:

- (1) Comparative audited annual financial statements of the Fund for the Fiscal Year ended August 31, 2020, together with the accompanying report of the Auditor.
- (2) The most recently filed annual management report of fund performance of the Fund.
- (3) The most recently filed Committee Report of the IRC.
- (4) The most recently filed LSVCC Facts document.

These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. **See “Documents Incorporated by Reference” for further details.**

Copies of these documents are available at your request, and at no cost by calling the Fund at 1-306-791-4833 or from your dealer. These documents are also available on the Fund’s website at www.saskworks.ca or by contacting the Fund at saskworks@saskworks.ca. These documents and other information about the Fund are also available on the SEDAR website at <http://www.sedar.com>.

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GLOSSARY OF CERTAIN TERMS

In addition to certain other terms defined elsewhere in this prospectus, when used in this prospectus, the following terms have the following meanings:

“\$” means Canadian dollars.

“**2021 Administrative Services Agreement**” means an administrative services agreement to be dated effective January 1, 2021, and entered into between the Fund and Conexus providing for payment by Conexus of the One-time Base Commissions to the Agent and Sub-Agents to the Agent relative to the 12 month period ending December 31, 2021.

“**Act**” means *The Labour-sponsored Venture Capital Corporation Act* (Saskatchewan).

“**Additional Commission**” means an additional commission of 1.0% of the gross proceeds raised in any Fiscal Year on the sale of Subscriber Shares and paid to the Agent.

“**Administrative Services Agreements**” means collectively the 2021 Administrative Services Agreement and each of the administrative services agreements entered into between the Fund and Conexus on January 1st of each of the years 2004 to and including 2020 and providing for payment of the One-time Base Commission (and until December 31, 2020, the Additional Commission) by Conexus to the Agent relative to Subscriber Shares sold in the 12 month periods ending on March 1, in each year from 2004 to 2021.

“**Administrative Services Fee**” means an annual administrative services fee of 0.875% of the gross proceeds raised in any calendar year on the sale Class A – Series A and Class R – Series A shares (where payment of the Base Commission by way of a One-time Base Commission has been elected) or 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of an Amortized Base Commission has been elected) and 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series F and Class R – Series F shares payable by the Fund to Conexus.

“**Affiliate**” has the meaning given to that term in the Securities Act.

“**Agency Agreement**” means the amended and restated agency agreement dated December 31, 2015, with the Agent, as amended by addendum 1 to the amended and restated agency agreement dated effective as of November 6, 2017.

“**Agent**” means Industrial Alliance Securities Inc.

“**Amortized Base Commission**” means a commission calculated on the investor’s cost of purchasing Class A – Series A shares and Class R – Series A shares and paid by the Fund to the Agent and Sub-Agents selling such shares in up to eight annual instalments each in an amount equal to 0.75% of the investor’s cost of purchasing such Class A – Series A shares or Class R – Series A shares, provided that no further annual instalments will be paid in the event such shares are redeemed prior to the expiry of the amortization period.

“**Articles**” means the articles of incorporation of the Fund, as amended and restated from time to time.

“**Audit/Valuation Committee**” means the audit/valuation committee of the Fund.

“**Auditors**” means MNP LLP, Chartered Professional Accountants, Regina, Saskatchewan.

“**Base Commission**” with respect to Class A – Series A shares and Class R – Series A shares purchased before November 6, 2017 means a commission of 6% calculated on the gross proceeds raised in any Fiscal Year paid to the Agent and Sub-Agents selling such shares and with respect to Class A – Series A shares and Class R – Series A shares

purchased on or after November 6, 2017 means the One-time Base Commission or the Amortized Base Commission, as applicable.

“Board” means the board of directors of the Fund.

“Capital Reserve” means sufficient liquid investments maintained by the Fund to permit, in any Fiscal Year, redemptions in an amount equal to the lesser of 20% of the Fund’s retained earnings or 50% of the Fund’s net earnings after taxes in the immediately preceding Fiscal Year.

“Class A Shares” means the Class A shares issued by the Fund, and includes all series of Class A share that may be issued by the Fund.

“Class A – Series A shares” means a series of Class A share set forth under the Articles.

“Class A – Series F shares” means a series of Class A share set forth under the Articles.

“Class B Shares” means the Class B shares of the Fund.

“Class C Shares” means the Class C shares of the Fund.

“Class R Shares” means the Class R shares issued by the Fund, and includes all series of Class R share that may be issued by the Fund.

“Class R – Series A shares” means a series of Class R share set forth under the Articles.

“Class R – Series F shares” means a series of Class R share set forth under the Articles.

“Concentra Trust” means Concentra Trust, a trust company incorporated pursuant to the *Trust and Loan Companies Act* (Canada).

“Conexus” means Conexus Credit Union 2006, a Saskatchewan credit union.

“CRA” means Canada Revenue Agency.

“Custodial Agreement” means an agreement dated April 15, 2017, between the Fund and Concentra Trust.

“Cut-Off Date” means the last day for obtaining a Federal or Saskatchewan tax credit for the preceding year (usually the sixtieth day of the calendar year or the first business day thereafter) or the date immediately prior to such sooner date on which the Fund may reach its maximum offering in the relevant 12-month period ending March 31.

“Dissolution” means the liquidation, dissolution or winding-up of the Fund, whether voluntary or involuntary, or any other distribution of the property and assets of the Fund for the purposes of winding-up its affairs.

“Eligible Business” means a corporation having not more than 500 employees in Saskatchewan.

“Eligible Investment” has the meaning assigned to that term under the heading **“Investment Objectives”**.

“Federal Tax Act” means the *Income Tax Act* (Canada), as amended from time to time.

“Fiscal Year” means the fiscal year of the Fund, being the 12-month period commencing on September 1 in one year and ending on August 31 in the following year.

“Fund” means SaskWorks Venture Fund Inc., a Saskatchewan corporation registered as a labour-sponsored venture capital corporation under the Act.

“Governance and Nominating Committee” means the governance and nominating committee of the Fund.

“IFRS” means the International Financial Reporting Standards for Canadian publicly accountable enterprises, as the same may be amended from time to time.

“Innovation Sector” means companies operating within the clean/environmental technology, health and life sciences, crop sciences, industrial biotechnology, information and communication technology, alternative energy industries; or, companies developing and/or employing value-added processes or technologies in Saskatchewan’s traditional sectors (i.e. energy, agriculture, and manufacturing).

“Investment Committee” means the investment committee of the Fund.

“IPA” means an incentive participation amount equal to 20% of any return derived from an Eligible Investment of the Fund from capital raised through the issuance of Subscriber Shares.

“IRC” means the independent review committee of the Fund.

“Liquidity Reserve” means that certain percentage, determined by the Board from time to time, of the aggregate net proceeds of the issuance of the Subscriber Shares, which percentage as of the date of this prospectus equals 15% of the net proceeds of the issuance of the Class A Shares and 15% the net proceeds of the issuance of the Class R Shares.

“Management Agreement” means the amended and restated management agreement dated April 20, 2011 entered into between the Manager and the Fund, as amended by an agreement to amend the amended and restated management agreement dated December 14, 2012, as the same may be further amended and restated from time to time.

“Manager” means PFM Venture Capital Operations Inc., a Saskatchewan corporation.

“Net Asset Value per Class A – Series A share” means the Net Asset Value per share attributable to the Class A – Series A shares.

“Net Asset Value per Class A – Series F share” means the Net Asset Value per share attributable to the Class A – Series F shares.

“Net Asset Value per Class R – Series A share” means the Net Asset Value per share attributable to the Class R – Series A shares.

“Net Asset Value per Class R – Series F share” means the Net Asset Value per share attributable to the Class R – Series F shares.

“Net Asset Value per Share” means either the Net Asset Value per Class A – Series A share, Net Asset Value per Class A – Series F share, Net Asset Value per Class R – Series A share or Net Asset Value per Class R – Series F share, as applicable.

“Net Asset Value” means the value of the total assets of the Fund attributable to Class A Shares or to Class R Shares, as applicable, less the value of the total liabilities of the Fund attributable to Class A Shares or to Class R Shares, as applicable, all as more particularly described under the heading **“Calculation of Net Asset Value – Net Asset Value of the Fund”**.

“Net Asset Value of the Fund” means the aggregate value of the assets of the Fund, less the aggregate value of the liabilities of the Fund.

“Net Equity Capital” means, with respect to a Fiscal Year, the equity capital raised by the Fund in the Fiscal Year less the equity capital redeemed by the Fund in that Fiscal Year.

“NI 81-102” means National Instrument 81-102 *Investment Funds*.

“NI 81-105” means National Instrument 81-105 *Mutual Funds Sales Practices*.

“NI 81-106” means National Instrument 81-106 *Investment Funds Continuous Disclosure*.

“NI 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*.

“Offering” means the continuous offering of Subscriber Shares by the Fund pursuant to this prospectus.

“One-time Base Commission” means a commission of 6% calculated on the investor’s cost of purchasing Class A – Series A shares and Class R – Series A shares paid by Conexus to the Agent and Sub-Agents selling such shares.

“Other Permitted Investments” means investments other than in Eligible Businesses that the Act permits the Fund to make, including, but not limited to, securities issued by governments, chartered banks and credit unions, consisting of guaranteed investment certificates, government bonds, provincial term deposits and commercial paper and deposit notes issued by Schedule I chartered banks and credit unions.

“Receiver General” means the Receiver General of Canada.

“Redemption Amount” means an amount equal to the Net Asset Value per Share attributable to the applicable Subscriber Shares as at the last Business Day of the week in which the Fund receives (or is deemed to have received) the request for redemption plus any declared and unpaid dividends thereon.

“RRIF” means a registered retirement income fund, as defined in section 146.3(1) of the Federal Tax Act.

“RRSP” means a registered retirement saving plan, as defined in section 146(1) of the Federal Tax Act.

“RRSP Agency Trust Agreement” means the agreement dated February 6, 2001, entered into between the Manager, on behalf of the Fund, and Concentra Trust.

“Saskatchewan Minister” means the member of the Executive Council of Saskatchewan to whom for the time being the administration of the Act is assigned.

“Saskatchewan Regulations” means the *Labour-sponsored Venture Capital Corporations Regulations* (Saskatchewan).

“Saskatchewan Tax Act” means *The Income Tax Act, 2000* (Saskatchewan), as amended from time to time.

“Securities Act” means *The Securities Act, 1988* (Saskatchewan), as amended from time to time.

“SEDAR” means the internet based system for electronic data archiving and retrieval maintained by or on behalf of Canadian securities regulators.

“Services Agreement” means a services agreement dated January 1, 2013, between the Fund and Prometa Fund Support Services Inc., as extended and amended by an extension and amending agreement made effective as of September 1, 2018.

“specified derivatives” has the meaning given to that term in NI 81-102.

“Sponsor” means **SaskWorks Federation of Unions**, a federation currently comprised of certain Saskatchewan union locals of Unifor, a trade union as defined in *The Saskatchewan Employment Act* and former sponsor of the Fund, as well as other locals and associations.

“Sponsorship Agreement” means the sponsorship agreement dated December 1, 2009, entered into between the Fund and the Sponsor.

“Sub-Agents” means registered dealers appointed from time to time by the Agent to sell Subscriber Shares.

“Subscriber Shares” means collectively the Class A – Series A shares, the Class A – Series F shares, the Class R – Series A shares and the Class R – Series F shares and **“Subscriber Share”** means individually any series of a Class A share or any series of a Class R share.

“Tax Credit Trust Agreement” means an agreement made effective April 15, 2017, between the Fund, Concentra Trust, as trustee, and the Government of Saskatchewan.

“TFSA” means a tax free savings account, as defined under the Federal Tax Act.

“Trailer Commissions” means the ongoing trailer commission equal to 0.5% calculated on the Net Asset Value per Class A – Series A share and Net Asset Value per Class R – Series A share per year for each Fiscal Year that an investor’s investment in Class A – Series A or Class R – Series A shares is maintained within the Fund.

“Transfer Agent” means Prometa Fund Support Services Inc. and its successors.

“Trust Monies” means an amount equal to the tax credits paid by the Saskatchewan Government, being 20% of the capital raised on or before February 26, 2018, being the 2017 Cut-Off Date, and 17.5% of the capital raised after the 2017 Cut-Off Date, by the sale and issuance of Subscriber Shares to Saskatchewan residents.

“Weekly Valuation Update” means the net asset valuation update of the Fund as at the close of business on Thursday of each week.

Words importing the singular number only include the plural and vice versa, and words importing a gender include all genders.

NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained in the prospectus and in the documents incorporated by reference herein may contain “forward-looking information” within the meaning of the applicable securities laws, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this prospectus or a document incorporated by reference herein, the words “anticipate”, “believe”, “estimate” and “expect” and similar expressions, as they relate to the Fund, are intended to identify forward-looking statements relating to the business and affairs of the Fund.

Forward-looking statements in this prospectus include statements regarding:

- the Fund’s ability to invest in businesses that are at the expansion financing, management/employee buyout, restructuring or turnaround, or early-stage investment stage of development; and
- the Manager’s belief that the Fund can satisfy redemption requests for any series of Class A shares and/or Class R shares in the ordinary course.

Such forward-looking statements are based on a number of material factors and assumptions, including:

- that suitable investment opportunities will continue to be available in Saskatchewan;
- that cash inflows from income and principal repayments, divestment activity or sales of any series of Class A or series of Class R shares will not be materially lower than expected;
- that levels of any series of Class A or series of Class R shares redemption requests or expenses are not materially higher than expected; and
- that the political environment in Canada and in Saskatchewan will continue to support labour-sponsored venture capital corporations.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties described under the heading “**Risk Factors**” in this prospectus. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Forward-looking statements made in a document incorporated by reference in this prospectus are made as at the date of the original document and have not been updated except as expressly provided for in this prospectus.

Except as required under applicable securities laws, the Fund undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

PROSPECTUS SUMMARY

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

The Fund

The Fund is a corporation incorporated under the laws of Saskatchewan and is registered as a labour-sponsored venture capital corporation under the Act. See **“Overview of the Legal Structure of the Fund”**.

The Offering

Securities Offered:	Subscriber Shares, consisting of Class A – Series A, Class A – Series F, Class R – Series A, and Class R – Series F shares of the Fund. The maximum dollar amount of Subscriber Shares that can be issued in each of the 12-month periods ending March 31, 2021 and March 31, 2022 is \$35 million. The maximum dollar amount of Class R Shares that can be issued in the 12-month period ending March 31, 2021 is \$5 million. The maximum dollar amount of Class A Shares that can be issued in the 12-month period ending March 31, 2021 is \$35 million or, if any Class R Shares have been issued during that 12-month period, an amount equal to \$35 million less the dollar amount of such Class R Shares issued as of that time. See “Description of the Securities Distributed” .
Offering Price:	The Class A – Series A, Class A – Series F, Class R – Series A, and Class R – Series F shares are offered to investors at prices equal to their respective Net Asset Value per Share. All Subscriber Shares will be offered on a continuous basis at their respective Net Asset Value per Share, which are determined on a weekly basis. Accordingly, the price at which Subscriber Shares may be purchased can vary from purchaser to purchaser and during the period of distribution. See “Calculation of Net Asset Value – Net Asset Value of the Fund” and “Description of the Securities Distributed” .
Eligible Purchasers:	The Subscriber Shares may be issued only to individuals residing in Saskatchewan and RRSPs who, at the time of subscribing for Subscriber Shares, meet all conditions of the Act. See “Description of the Securities Distributed” .
Voting Rights:	Each Subscriber Share is entitled to one vote at meetings of the Shareholders, and holders of such shares are entitled to elect a minority of the directors of the Fund (currently four of the Fund’s nine directors). The majority of the directors are elected by the Class B Shareholder. See “Description of the Securities Distributed” .

Investment Strategy and Objectives

The Fund is subject to certain investment restrictions under the Act and applicable securities law. In general terms, Eligible Investments are public or private companies or other entities that carry on business in Saskatchewan, that have less than 500 employees, and that in the taxation year preceding the investment paid at least 25% of all their wages and salaries to employees of their permanent establishment in Saskatchewan. The objective of the Fund is to realize long-term capital appreciation of its investments. See **“Investment Objectives”**.

The Fund will seek out Eligible Investments in both rural and urban centres throughout Saskatchewan. Desirable investment opportunities for the Fund are businesses that provide an opportunity for a return on investment commensurate with the perceived risk. It is anticipated that investments will be in businesses which are at one of the following stages of development: expansion financing, management/employee buyout, restructuring or turnaround, or early-stage investment. The Fund maintains the Liquidity Reserve, which, unless and until needed, is invested by the

Fund in Other Permitted Investments. The Fund may use the Liquidity Reserve to fund redemptions and to make protective, follow-on investments in existing Eligible Investments. See **“Investment Strategies”**.

Sectors and Investments

The Class A shares and the Class R shares each have their own investment portfolio made up of Eligible Investments that will be made using only the subscription proceeds raised through the issuance of that class of shares or gains derived from that class of share’s investment portfolio. Each of the Class A and Class R shares’ investment portfolios will be allocated proportionately to each series of either the Class A or Class R shares based on the relative share capital of each series within that class of share. See **“Sectors and Investments”**.

Redemption

A holder of a Subscriber Share may request the Fund to redeem his or her Share. If the redemption is to occur within eight years after the date of issue of the Subscriber Share, the holder will generally be required to pay an amount which is equal to the Federal and Saskatchewan tax credits claimed on such Share. In such circumstances the Fund will withhold such amount from the redemption proceeds and pay the amount to the Receiver General and the Saskatchewan Minister respectively. See **“Redemption of Securities”** and **“Description of the Securities Distributed – Subscriber Shares”**.

Purchase of Securities

The Subscriber Shares will be distributed on a best efforts basis primarily through the Agent. The investor may contact the Agent for a list of Sub-Agents who are also authorized to sell Subscriber Shares to residents in the Province of Saskatchewan. The minimum initial subscription for Subscriber Shares is \$500, and the minimum for subsequent subscriptions is \$100. The Fund may waive minimum initial and subsequent subscription amounts to accommodate pre-authorized contribution plans and payroll deduction plans. Subscriber Shares are being offered to individuals and RRSPs. See **“Purchase of Securities”**.

Distribution Policy

The Fund may declare such dividends on the Subscriber Shares out of monies legally available for dividends as the Fund may determine is appropriate, from time to time. There has been no cash dividend distribution by the Fund since its inception. The Fund intends to capitalize annually certain amounts of its interest and other investment income (other than dividends in respect of taxable Canadian corporations) and capital gains to the extent necessary to obtain a refund of the tax otherwise payable on its taxable capital gains and to reduce the tax otherwise payable by it on its interest and other investment income (other than dividends in respect of taxable Canadian corporations). See **“Distribution Policy”**.

Termination

Under the Act, a labour-sponsored fund can only apply to a minister of the Crown for approval to dissolve or wind up the labour-sponsored venture capital corporation after eight years from the last date of issuance of shares within the Fund. Once ministerial approval is obtained, an application to the court is required to obtain a court order for approval of a plan of arrangement for Dissolution. See **“Termination of the Fund”**.

Risk Factors

An investment in the Fund is appropriate only for investors who are prepared to retain their money in the Fund for a long period of time and who have the capacity to absorb a loss of some or all of their investment. In addition, Class R Shares are highly speculative in nature given the investment focus for such shares in the energy, mining, and related sectors.

There is no guarantee that an investment in the Fund will earn a regular rate of return. In addition to the tax benefits of investing in Subscriber Shares, prospective investors should fully assess the merits of the Fund and the Subscriber Shares.

Redemption of the Subscriber Shares is substantially restricted both by law and due to the fact that the obligation of the Fund to redeem the Subscriber Shares is based on the profitability and retained earnings of the Fund. Should a shareholder or shareholders holding a large block of Subscriber Shares seek redemption, any shareholder making a subsequent request may not be able to achieve immediate redemption. The subsequent request will remain in effect until withdrawn by the shareholder or subsequently fulfilled by the Fund. Further, a request for a large redemption may impact the price that is realized on the Fund's investment(s) and thereby adversely affect the Net Asset Value per Share. See **"Description of the Securities Distributed – Subscriber Shares" and "Risk Factors – Lack of Liquidity"**.

Although the Fund is a mutual fund, some of the rules designed to protect investors who purchase securities of mutual funds do not apply to the Fund. In particular, compliance with rules directed at ensuring liquidity and diversification of investments and certain other investment restrictions and practices normally applicable to mutual funds do not apply. See **"Investment Objectives" and "Investment Strategies"**. The cost to conduct due diligence, determine the value of the Fund's assets for which no published market exists and to monitor the health of existing investments will be greater than valuation costs for mutual funds which invest primarily in listed securities. Consequently, the operating expenses of the Fund may be higher than those of many mutual funds and other pooled investment vehicles.

Prospective investors should carefully review the disclosure under the heading **"Risk Factors"**.

Annual Returns, Management Expense Ratio and Trading Expense Ratio

The management expense ratio and annual returns of the Class A – Series A shares and Class R – Series A shares as at August 31st for the past five years are as follows:

Class A – Series A shares

Year	Annual Return⁽¹⁾	Management Expense Ratio⁽²⁾	Adjusted Management Expense Ratio⁽³⁾	Trading Expense Ratio⁽⁴⁾
2020	-5.14%	4.29%	4.29%	0.00%
2019	1.36%	6.06%	4.22%	0.01%
2018	13.97%	9.29%	4.25%	0.07%
2017	15.32%	9.64%	4.32%	0.40%
2016	1.13%	6.89%	4.33%	0.00%

Notes:

- (1) The Annual Return of the Class A – Series A shares is calculated based on the Net Asset Value per Class A – Series A share.
- (2) The Management Expense Ratio of the Class A – Series A shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class A – Series A shares (including an estimated contingent IPA attributable to the Class A – Series A shares and all Class A – Series A share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class A – Series A shares is the Management Expense Ratio of the Class A – Series A shares excluding an estimated contingent IPA attributable to the Class A – Series A shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

Class R – Series A shares

Year	Annual Return⁽¹⁾	Management Expense Ratio⁽²⁾	Adjusted Management Expense Ratio⁽³⁾	Trading Expense Ratio⁽⁴⁾
2020	-18.83%	1.40%	4.71%	0.00%
2019	0.74%	6.82%	4.69%	0.03%
2018	1.24%	7.50%	4.85%	0.08%
2017	-3.59%	6.07%	4.79%	0.00%

2016	-12.40%	4.85%	4.62%	0.00%
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Notes:

- (1) The Annual Return of the Class R – Series A shares is calculated based on the Net Asset Value per Class R – Series A share.
- (2) The Management Expense Ratio of the Class R – Series A shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class R – Series A shares (including an estimated contingent IPA attributable to the Class R – Series A shares and all Class R – Series A share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class R – Series A shares is the Management Expense Ratio of the Class R – Series A shares excluding an estimated contingent IPA attributable to the Class R – Series A shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

The management expense ratio and annual returns of the Class A – Series F shares and Class R – Series F shares as at August 31st for the past five years are as follows:

Class A – Series F shares

Year	Annual Return⁽¹⁾	Management Expense Ratio⁽²⁾	Adjusted Management Expense Ratio⁽³⁾	Trading Expense Ratio⁽⁴⁾
2020	-3.52%	3.10%	3.10%	0.00%
2019	3.75%	5.26%	3.64%	0.01%
2018	17.09%	7.82%	3.53%	0.07%
2017	18.45%	7.81%	3.43%	0.40%
2016	3.31%	5.79%	3.13%	0.00%

Notes:

- (1) The Annual Return of the Class A – Series F shares is calculated based on the Net Asset Value per Class A – Series F share.
- (2) The Management Expense Ratio of the Class A – Series F shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class A – Series F shares (including an estimated contingent IPA attributable to the Class A – Series F shares and all Class A – Series F share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class A – Series F shares is the Management Expense Ratio of the Class A – Series F shares excluding an estimated contingent IPA attributable to the Class A – Series F shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

Class R – Series F shares

Year	Annual Return⁽¹⁾	Management Expense Ratio⁽²⁾	Adjusted Management Expense Ratio⁽³⁾	Trading Expense Ratio⁽⁴⁾
2020	-14.02%	1.00%	3.27%	0.00%
2019	1.62%	5.51%	3.80%	0.03%
2018	2.02%	5.89%	3.81%	0.08%
2017	-2.57%	4.49%	3.53%	0.00%
2016	-9.58%	3.42%	3.20%	0.00%

Notes:

- (1) The Annual Return of the Class R – Series F shares is calculated based on the Net Asset Value per Class R – Series F share.
- (2) The Management Expense Ratio of the Class R – Series F shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class R – Series F shares (including an estimated contingent IPA attributable to the Class R – Series F shares and all Class R – Series F share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class R – Series F shares is the Management Expense Ratio of the Class R – Series F shares excluding an estimated contingent IPA attributable to the Class R – Series F shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

Organization and Management of the Fund

The following is a general description of the organization and management of the Fund:

Position	Name	Location	Services Provided/Relationship with Fund
Manager/ Portfolio Manager	PFM Venture Capital Operations Inc.	1925 Victoria Avenue, 2nd Floor Regina, SK S4P 0R3	The Manager manages the overall business and operations of the Fund, including providing investment advice regarding the investment portfolio of the Fund. In addition the Manager is the portfolio manager of the Fund.
Sponsor	SaskWorks Federation of Unions	111, 2709 12th Avenue Regina, SK S4T 1J3	The Sponsor is the sole holder of the Class B Shares and is entitled to nominate and elect a majority of the Board.
Agent and Principal Distributor	Industrial Alliance Securities Inc.	200 - 227 21st Street East Saskatoon, SK S7K 0B7	The Agent acts as agent and principal distributor of the Fund in respect of sales of Subscriber Shares.
Custodian	Concentra Trust	333 3rd Ave N, Saskatoon, SK S7K 2M2	The Custodian holds the portfolio securities of the Fund in safekeeping for the Fund.
Sub- custodian	CIBC Mellon	Suite #900 - 1 York Street, Toronto ON MSJ 0B6	The Custodian appointed CIBC Mellon as a sub-custodian.
Registrar & Transfer Agent	Prometa Fund Support Services Inc.	155 Carlton Street Winnipeg, MB, R3C 3H8	The Registrar & Transfer Agent provides shareholder services to the Fund, including maintaining the shareholder register of the Fund.
Auditor	MNP LLP, Chartered Professional Accountants	900 - 2010 11th Avenue Regina, SK S4P 0J3	The Auditor acts as the auditor of the Fund. In accordance with applicable laws, the auditor may be changed without securityholder approval. Although the approval of securityholders will not be obtained before making a change to the auditor of the Fund, securityholders will be sent a written notice at least 60 days before the effective date of any such change. The Fund has adopted a policy of tendering the audit every five years. In 2018, the Fund tendered the audit, and MNP LLP, Chartered Professional Accountants, was reappointed as the Fund's auditors for a further period of five years.

Note: All parties, save for Prometa Fund Support Services Inc., operate at arm's length from the Manager. Through its wholly-owned subsidiary, PFM Holdings Inc., TBW Holdings Inc., a related company to the Manager, holds 40% of the issued and outstanding shares of Prometa Fund Support Services Inc.

Tax Benefits

Individual Saskatchewan residents (other than trusts) intending to apply the Federal tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date will be eligible for a Federal tax credit for the 2020 taxation year equal to 15% of the individual's net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000). Individual Saskatchewan residents (other than trusts) not intending to apply the Federal tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be

eligible for a Federal tax credit for the 2021 taxation year equal to 15% of the individual's net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000). See **"Income Tax Considerations"**.

Individuals intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date will also be eligible for a Saskatchewan tax credit equal to 17.5% of the individual's net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). Individuals not intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be eligible for a Saskatchewan tax credit to their taxes payable for the 2021 calendar year equal to 17.5% of the individual's net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). See **"Income Tax Considerations"**.

Subscriber Shares may also be issued directly to certain RRSPs and an individual may claim the Provincial and Federal tax credits for the year in respect of the purchase of Subscriber Shares by the RRSP. While Subscriber Shares, provided certain conditions are met, can be qualified investments for a TFSA, under the Act the Fund cannot issue Subscriber Shares to TFSAs and Subscriber Shares cannot be transferred by an individual to a TFSA. Unless and until amendments are made to the Act, Subscriber Shares may not be purchased by or transferred to TFSAs. See **"Income Tax Considerations"**.

The following table illustrates the net after-tax cash outlay resulting from a \$5,000 investment in Subscriber Shares subscribed for by a Saskatchewan resident and who transfers such shares to a RRSP in or for the year 2020.

Taxable Income Level⁽¹⁾
2020

Taxable Income From⁽¹⁾	\$45,226	\$48,536	\$97,070	\$129,215	\$150,474	\$214,369
Taxable Income To⁽¹⁾	\$48,535	\$97,069	\$129,214	\$150,473	\$214,368	& Over
RRSP Contribution⁽²⁾	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Marginal Rate⁽³⁾	27.50%	33.00%	38.50%	40.50%	43.72%	47.50%
Tax Refund⁽⁴⁾	\$1,375	\$1,650	\$1,925	\$2,025	\$2,186	\$2,375
Federal Tax Credit⁽⁵⁾	15% × \$5,000	15% × \$5,000	15% × \$5,000	15% × \$5,000	15% × \$5,000	15% × \$5,000
Saskatchewan Tax Credit⁽⁵⁾	17.5% × \$5,000	17.5% × \$5,000	17.5% × \$5,000	17.5% × \$5,000	17.5% × \$5,000	17.5% × \$5,000
Total Tax Credits	\$1,625	\$1,625	\$1,625	\$1,625	\$1,625	\$1,625
Total Tax Savings	\$3,000	\$3,275	\$3,550	\$3,650	\$3,811	\$4,000
Net Cash Outlay after Tax Savings	\$2,000	\$1,725	\$1,450	\$1,350	\$1,189	\$1,000

Notes:

- (1) Taxable income has been calculated as gross income less income tax deductions allowed by law in Saskatchewan. As of 2001, the federal and provincial tax brackets no longer coincide. The taxable income levels used are therefore approximate.
- (2) The RRSP contribution assumes that the investor is within his or her contribution limit.
- (3) The income tax rates are based on the Federal and Saskatchewan income tax legislation in effect as at April 30, 2020, and are the marginal tax rates for income, other than capital gains and dividend income, for individuals resident in Saskatchewan.
- (4) RRSP savings result from RRSP deductions reducing taxable income and are calculated at the marginal income tax rates. RRSP tax savings are not unique to a labour-sponsored venture capital corporation, and are available on any RRSP eligible investment, provided the investment is within contribution limits. Income tax is payable on the withdrawal of funds from RRSPs.
- (5) The Federal and Saskatchewan tax credits are generally available provided that the Subscriber Shares are not redeemed within eight years from the date of purchase and the investor has tax otherwise payable against which to offset the tax credits. Maximum tax credits apply in respect of all purchases of shares of prescribed and registered labour-sponsored venture capital corporations.

Summary of Fees and Expenses

This table lists the fees and expenses that an Investor may have to pay if it invests in the Fund. The Investor may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will be required to be deducted from the gross revenues of the Fund, and therefore reduce the value of an Investor's investment.

Fees and Expenses Payable by the Fund

Type of Fee	Amount and Description
Agent's Corporate Finance Fee	\$25,000 per annum (plus any applicable taxes) is paid to the Agent.
Agent's Legal Fees	\$25,000 per annum plus disbursements and taxes is paid to Agent's counsel.
Agent's Base Commission	<p>The investor may choose, in consultation with the applicable Agent or Sub-Agent, one of the following two options for payment of the Base Commission:</p> <ol style="list-style-type: none"> 1. a One-time Base Commission (of 6% calculated on the individual's cost of purchasing the Class A – Series A shares and Class R – Series A shares and paid to the Agent and Sub-Agents at the time the subscription for such shares is accepted by the Fund); or 2. an Amortized Base Commission (calculated on the investor's cost of purchasing the Class A – Series A shares and Class R – Series A shares and paid to the Agent and Sub-Agents in up to eight annual instalments each in an amount equal to 0.75% of the individual's cost of purchasing such shares, and provided that no further annual instalments will be paid in the event such shares are redeemed prior to the expiry of the amortization period). <p>See "Plan of Distribution" and "Organization and Management Details of the Fund - Management of the Fund – Agent and Other Compensation". The Agent's or Sub-Agent's One-time Base Commission, as the case may be, is not paid directly by the Fund but is instead paid by Conexus. The Agent's or Sub-Agent's Amortized Base Commission, as the case may be, is paid directly by the Fund. See "Organization and Management Details of the Fund – Management of the Fund – Administrative Services Fee" and "Plan of Distribution – Administrative Services Agreement".</p>
Agent's Trailer Commission	0.5% calculated on the Net Asset Value per Class A – Series A share and Net Asset Value per Class R – Series A share for each Fiscal Year that the investment is maintained within the Fund. See "Plan of Distribution – Administrative Services Agreement".
Agent's Additional Commission	1.0% calculated on the gross proceeds raised in any Fiscal Year through the sale of Subscriber Shares is paid by the Fund to the Agent at the time the subscription for Subscriber Shares is accepted by the Fund. See "Plan of Distribution" and "Organization and Management Details of the Fund – Management of the Fund – Agent and Other Compensation".

Management Base Fee	2.5% per annum of the aggregate Net Asset Value per Share as at each valuation date is paid to the Manager.
IPA	20% of the return derived from an Eligible Investment of the Fund is accrued from the date of investment in Eligible Investments and the IPA associated with an Eligible Investment will be paid annually to the Manager only upon realization of the Eligible Investment. See “Organization and Management Details of the Fund – Management of the Fund – Management Fees and Expenses”.
Administrative Services Fee	0.875% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of a One-time Base Commission has been elected) or 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of an Amortized Base Commission has been elected) and 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series F shares and Class R – Series F shares is paid to Conexus.
Other Fees and Expenses	All direct costs and expenses incurred in the operation of the Fund. See “Fees and Expenses – Fees and Expenses Payable by the Fund”.

Fees and Expenses Payable by the Investor

Type of Fee	Amount and Description
Sales Charge	Sales commissions and other fees and expenses are paid indirectly by investors through the Fund. The Fund, directly or indirectly, pays such commissions, fees and costs, as applicable, out of the proceeds from the sale of Class A – Series A shares and Class R – Series A shares. See “Plan of Distribution” and “Fees and Expenses – Fees and Expenses Payable by the Fund”.
Transfer Fee	Nil.
RRSP Fee	The Manager, on behalf of the Fund, has made arrangements with Concentra Trust, pursuant to which individual investors may establish a RRSP with Concentra Trust and have the RRSP purchase Subscriber Shares. Where the aggregate funds in a trust governing a RRSP or a RRIF are less than \$10,000 at the end of the eight year hold period for the initial subscription, a one-time administrative fee, payable at the end of the eight year hold period for the initial subscription, in the sum of \$35 plus GST (\$36.75 in total) will be charged by Concentra Trust for such transactions. These fees may be waived by the Fund. These administration fees are subject to change on 60 days’ notice without prior approval of the participants. Investors may also have their own or their spouse’s or common law partner’s self-directed RRSP purchase Subscriber Shares. See “Plan of Distribution – RRSP Purchases” and “Income Tax Considerations”.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

The Fund was established to invest in Saskatchewan-based small and medium-sized Eligible Businesses. The Fund was incorporated under *The Business Corporations Act* (Saskatchewan) by articles of incorporation dated September 1, 1999, as amended. The Fund received approval for registration as a labour-sponsored venture capital corporation under the Act on February 1, 2001. The head office and registered office of the Fund are located at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan, S4P 0R3.

At the inception of the Fund, the Communications, Energy and Paperworkers' Union of Canada (Saskatchewan Area Council), a trade union as defined in *The Saskatchewan Employment Act*, was the sponsor of the Fund.

In 2009, certain Saskatchewan Area Locals of the Communications, Energy and Paperworkers' Union of Canada, with the approval of the Communications, Energy and Paperworkers' Union of Canada, adopted a constitution and bylaws for the express purpose of acting collectively as the sponsor of the Fund under the name **"SaskWorks Federation of Unions"** and the holder of the Class B Shares of the Fund. Pursuant to the Sponsorship Agreement, the Sponsor acts as the sponsor of the Fund as required by the Act and the Federal Tax Act, as successor to the Communications, Energy and Paperworkers' Union of Canada (Saskatchewan Area Council), and the holder of the Class B Shares of the Fund effective as and from December 1, 2009. The principal office of the Sponsor is at 111, 2709 12th Avenue, Regina, Saskatchewan, S4T 1J3.

Effective December 31, 2015, the Articles of the Fund were amended to create a Class A – Series A share, a Class A – Series F share, a Class R – Series A share and a Class R – Series F share. Effective June 30, 2017, the Articles of the Fund were further amended to eliminate the early redemption fee that was previously applicable to early redemptions of Class A – Series A shares and Class R – Series A shares.

The Class A – Series F shares and the Class R – Series F shares have the same rights and privileges as the respective Class A – Series A shares and Class R – Series A shares, except that while the Additional Commission of 1% is payable to the Agent, neither Base Commission nor Trailer Commission is charged to the Fund by the Agent or Sub-Agents selling such Series F shares. The Class A – Series F shares and the Class R – Series F shares are intended for use by fee-based accounts.

The objectives of the Sponsor in sponsoring the Fund are to give investors, including unionized workers, investment opportunities which may not otherwise be available to them, and to encourage investment in eligible Saskatchewan small and medium-sized businesses, thereby fostering job creation throughout Saskatchewan.

INVESTMENT CONCEPT

An individual purchaser of Subscriber Shares (other than a trust) that is intending to apply the Federal tax credit and Saskatchewan tax credit to their taxes payable for the 2020 calendar year is eligible for a Federal tax credit under the Federal Tax Act equal to 15% of the net cost of the shares to a maximum credit of \$750 per year, and a Saskatchewan tax credit equal to 17.5% of the net cost of the shares to a maximum of \$875, if he or she purchased the Subscriber Shares on or before the 2020 Cut-Off Date. See **"Income Tax Considerations"**.

An individual purchaser of Subscriber Shares (other than a trust) that is intending to apply the Federal tax credit and Saskatchewan tax credit to their taxes payable for the 2021 calendar year is eligible for a Federal tax credit under the Federal Tax Act equal to 15% of the individual's net cost of the shares to a maximum credit of \$750 and a Saskatchewan tax credit equal to 17.5% of the individual's net cost of the shares to a maximum of \$875, if he or she purchased the Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date. See **"Income Tax Considerations"**.

These tax measures are intended to provide investment incentives that: (a) encourage individual Saskatchewan residents to invest in the Fund which in turn invests in Eligible Businesses; and (b) offset to some extent the potential risk of the investment. See **"Risk Factors"**.

INVESTMENT OBJECTIVES

The Fund invests in small and medium-sized Saskatchewan-based Eligible Businesses, with the objective of achieving long-term capital appreciation. In addition, the Fund may participate in investment groups and consortiums in situations where the investment opportunity involves a larger investment than the Fund is allowed or believes prudent to make by itself. The investment objective of achieving long-term capital appreciation applies to investments made through the use of the proceeds of the issuance of both the Class A Shares and Class R Shares; however, the proceeds of an investment in Class R shares are primarily invested in Eligible Businesses engaged in the resource sector industry, whereas the proceeds of an investment in Class A shares are invested in a broader cross-section of Eligible Businesses. **See “Sectors and Investments”.**

Under the Act and through the exercise of ministerial discretion, Eligible Investments for the Fund are defined as taxable corporations or limited partnerships that carry on business in Saskatchewan, that:

- (a) together with related corporations or limited partnerships do not have more than 500 employees,
- (b) in the taxation year preceding the investment paid at least 25% of all their wages and salaries to employees of their permanent establishment in Saskatchewan, and
- (c) do not provide financial assistance from equity capital received from a labour-sponsored venture capital corporation to the shareholders of a labour-sponsored venture capital corporation or to shareholders of the Eligible Business.

The Fund will not invest more than 10% of the Net Asset Value of the Fund attributable to capital raised through the issuance of Subscriber Shares in any one Eligible Investment, and may not invest if the Fund and the Eligible Investment are not at arm's length, within the meaning of the Act. **See “Investment Strategies” and “Investment Restrictions and Practices”.** In respect of any investment, the Fund will take into consideration any anticipated subsequent investment required in the future, either by way of debt or equity. Such a subsequent investment will typically be made only if the investee meets certain criteria, such as timing and performance targets that are evaluated from time to time over the lifetime of the investment in the Eligible Business.

INVESTMENT STRATEGIES

The Fund will seek out Eligible Investments in both rural and urban centres throughout Saskatchewan. The Fund will use the same investment strategies described below with respect to the use of the proceeds of the issuance of both the Class A Shares and Class R Shares; however, the proceeds of an investment in Class R shares are primarily invested in Eligible Businesses engaged in the resource sector industry, whereas the proceeds of an investment in Class A shares are invested in a broader cross-section of Eligible Businesses. **See “Sectors and Investments”.**

Desirable investment opportunities for the Fund are businesses that provide an opportunity for a return on investment commensurate with the perceived risk. It is anticipated that investments will be in businesses which are at one of the following stages of development:

Expansion Financing:	Investments in businesses which require financing to expand sales, or to launch a new product or service.
Management/Employee Buyout:	Investments where the proceeds of the financing are used to acquire control of a business that has significant expansion potential that can be realized by adding new management and capital.
Restructuring or Turnaround:	Investment in businesses which have the potential to succeed if additional investment is received and/or changes in management, staffing, operations or marketing strategies are made.
Early-Stage Investment:	In most cases early-stage investments will be in businesses which have been in operation for a period of time, but have not yet fully developed their product or service.

Typically, funding will be required to address limitations or opportunities that have been identified subsequent to the initial business plan.

Prospective Eligible Investments will be expected to demonstrate some or all of the following characteristics:

- a strong and experienced management team which is financially committed to and rewarded by the company's success;
- a strong competitive position as a result of superior technology, innovative products, comparative cost advantage, established market position, significant barriers to entry and/or dominant distribution in its market;
- with respect to expansion funding, a reasonable expectation of earnings growth based on past financial performance or a strong likelihood of new market success;
- with respect to start up or early stage funding, a sound business concept or plan which presents a convincing opportunity to establish a comparative business advantage in a growth market;
- with respect to term debt, a reasonable level of unencumbered and disposable net asset security coverage and good interest/principal coverage being generated from current cash flows;
- with respect to subordinated debt funding, a satisfactory level of current cash flow interest coverage with the likelihood for near term coverage improvement; and
- with respect to management buyout opportunities, a strong current cash flow position coupled with the opportunity for near term earnings improvement resulting from a competitively enhanced new business or operating environment.

The Fund may have its registration under the Act revoked and become subject to penalties under the Act and Federal Tax Act if (a) the Fund does not invest at least 75% of the capital raised from the sale of Subscriber Shares in Eligible Investments, or (b) the Fund does not invest at least 18.75% of the Fund's Net Equity Capital raised from the sale of Subscriber Shares in Eligible Investments in the Innovation Sector, in each case within 24 months from the end of the Fiscal Year in which those Subscriber Shares were issued. See **"Risk Factors" and "Other Material Facts – Penalties Potentially Applicable to the Fund"**.

The Fund may use specified derivatives for hedging purposes only. See **"Investment Restrictions and Practices"**.

The Fund maintains the Liquidity Reserve, which unless and until needed, is invested by the Fund in Other Permitted Investments. The Fund may use the Liquidity Reserve to fund redemptions and to make protective, follow-on investments in existing Eligible Investments. On the date that is 12 months after the date on which the Fund first withdraws from the Liquidity Reserve, the Fund will replenish the Liquidity Reserve to the applicable Liquidity Reserve at the time of such replenishment, unless otherwise approved by the Board.

Overview of the Investment Structure

The particular form of the Fund's investments are selected and negotiated after taking into account the investment criteria and guidelines of the Fund, the long-term requirements of the investee business, the stage of development of the investee business, the investee business' requirements, the ability to negotiate down-side protection, and tax considerations. The Fund diversifies its investment portfolio through the use of such instruments, among others, as common shares, convertible debentures, convertible preferred shares, debt with equity participation, secured debt, funded loan guarantees and bridge loans.

Where the Fund makes an investment by way of a loan, such investment is expected to be secured by a charge over the investee business' assets but may be subordinated to other lenders' security. Preference will be given to convertible preferred shares with a dividend rate and/or conversion terms commensurate with the investment risk.

The Fund may guarantee loans of Eligible Businesses in circumstances where the making of such loan would permit the growth and development of the business without the Fund being the primary investor. The aggregate of loan guarantees may not exceed 10% of the Fund's total assets at the time each loan guarantee is provided. The Fund intends

to maintain a reserve of 25% of the guaranteed amount on any loan guarantees. The Fund will invest that reserve in Other Permitted Investments.

To the extent possible, investments are diversified by the expected holding period of the investment. Generally, the average holding period is expected to be five to eight years. The Fund may choose to refinance its investment through an arm's length third party where the expected return can be achieved in a shorter time frame. All investment recommendations will include a strategy for realization on investments made. Possible exit strategies include the following:

- refinancing with conventional lenders or leasing companies;
- sale of the business or investment to a third party;
- a public offering; and
- sale of the investment back to the business or its principals through exercise of a put or call contractual provision included within the equity securities arrangement.

Investment Approval and Review Process

The Investment Committee, comprised of individuals drawn from the Board, assists in the establishment of investment policies and guidelines and attends to the review and vetting of management investment recommendations. The Investment Committee has the authority to make final investment decisions for investments up to the lesser of: (i) 2.5% of the Net Asset Value of the Fund; and (ii) \$10,000,000. With respect to larger investments, the Investment Committee reviews and screens investment recommendations made by the Manager prior to presentation to the Board for final approval.

The Manager has primary responsibility for the initial screening and recommendation of investments and for carrying out the operational and financial due diligence on selected investments. The Manager is responsible for the review of all potential investments and for ensuring that the potential investments meet the investment criteria of the Fund.

The Manager monitors each of the Fund's investments on a continual basis. The Manager or the Fund may require that a representative of it be appointed as a director or observer to the board or other governing body of an investee business. The Manager requires investee businesses to provide to it regular financial reports and detailed information concerning the investee business. In addition, the Manager meets regularly with management of the investee business and takes such other steps as are considered necessary to assess the progress of an investee business' product, service or technology development.

SECTORS AND INVESTMENTS

Sectors that the Fund Invests in

From the net proceeds of the issuance of the Subscriber Shares, the Fund will invest:

- the net proceeds of the issuance of the Class A Shares minus the Liquidity Reserve in a range of businesses from a broad cross-section of the economy, which may include agriculture, manufacturing, oil and gas, industrial minerals, forestry, destination tourism, information technology, biotechnology, real estate, energy (including conventional and renewable energy), mining and related service sectors;
- the net proceeds of the issuance of the Class R Shares minus the Liquidity Reserve in Saskatchewan Eligible Businesses in the oil and gas, industrial minerals, energy (including conventional and renewable energy), mining and related service sectors; and
- the Liquidity Reserve in Other Permitted Investments.

Subject to the investment restrictions that the Fund will not invest more than 10% of the Net Asset Value of the Fund in any one Eligible Business, net proceeds from the issuance of Class A Shares could be invested in the same Eligible Business as net proceeds from the issuance of Class R Shares.

Material Trends, Events or Uncertainties in the Sectors

As the Fund invests in a broad cross-section of the Saskatchewan economy, its investments are affected by trends, events, and other uncertainties affecting the Saskatchewan economy. In the wake of the Covid-19 global pandemic, according to the Conference Board of Canada, Saskatchewan's real GDP will fall 8.7 per cent in 2020, but economic growth will pick up in 2021, with a gain of 4.7 per cent anticipated. Exports are expected to be a solid contributor to the provincial economy in 2021, rebounding from the sharp decline seen this year. Another promising sign for the province is the stabilizing unemployment rate, recovering from the 11.8 per cent second quarter average, and trending towards the 5.5 per cent that is forecasted through 2024.

During the initial stages of the Covid-19 pandemic, crude prices fell dramatically due to the extreme uncertainty, global supply/demand imbalance, and inventory builds. Although there continues to be weakness and uncertainty in the sector, prices appear to have stabilized from the lows experienced in March, April, and May of 2020. Activity levels remain depressed for energy service companies. While not robust, commodity prices are at a level whereby prudent producers appear to be able to operate with positive margins. It is expected that the coming year will continue to see crude prices and industry activity similar to current levels.

Summary of Eligible Investments

As at August 31, 2020, the Fund had total equity of \$407,522,533 (August 31, 2019 – \$460,863,583) of which \$357,223,173 (August 31, 2019 – \$391,480,200) was attributable to the capital raised through the issuance of Class A – Series A shares, \$9,810,696 (August 31, 2019 – \$8,130,789) was attributable to the capital raised through the issuance of Class A – Series F shares, \$40,353,715 (August 31, 2019 – \$61,118,004) was attributable to the capital raised through the issuance of Class R – Series A shares and \$134,949 (August 31, 2019 – \$135,000) was attributable to the capital raised through the issuance of Class R – Series F shares. In addition, as at August 31, 2020 the Fund had a carrying value of existing Eligible Investments and committed Eligible Investments of \$268,842,000 (or 73.25% of the total equity) attributable to the capital raised through the issuance of Class A – Series A and Class A – Series F shares, and \$31,870,000 (or 78.71% of the total equity) attributable to the capital raised through the issuance of Class R – Series A and Class R – Series F shares.

The Fund is currently in compliance with its investment strategies and objectives and with the investment criteria contained in the Act.

Significant Holdings

The following table contains information with respect to the investments in which the Fund holds more than 5% of a particular class of securities as at September 30, 2020. The Fund has no control over any information disseminated by its investees (including information contained on the websites of its investees) and makes no representation or warranty about the accuracy or completeness of any such information.

Name and Address of Eligible Investments	Nature of Principal Business	Percentage of Securities of each Class Owned by the Fund	Percentage of Fund's Net Assets, Amount Invested and Committed at Cost
255 2nd Avenue North Properties Ltd. 500-2201 11th Avenue Regina, SK S4P 0J8	Real Estate	Common Shares 50% Subordinated Debenture	1.1% Class A Shares - \$590,000 Class A Shares - \$4,050,000
Auctus Property Fund LP 2102 E Turvey Road Regina, SK S4N 2G7	Real Estate	Limited Partnership Units 13.1%	3.6% Class A Shares - \$14,845,000
AGCO AgVentures LP 1925 Victoria Avenue, 2nd Floor Regina, SK S4P 0R3	Investment in Saskatchewan Agricultural Lands	Limited Partnership Units 97.56%	3.1% Class A Shares - \$12,605,455
All-Fab Building Components LP 1755 Dugald Road Winnipeg, MB R2J 0H3	Building Component Manufacturer	Limited Partnership Units 33.2% Common Shares 53.5%	2.9% Class A Shares - \$11,684,788

Name and Address of Eligible Investments	Nature of Principal Business	Percentage of Securities of each Class Owned by the Fund	Percentage of Fund's Net Assets, Amount Invested and Committed at Cost
Avalon Oil & Gas Ltd. 1120 – 833 4th Avenue SW Calgary, AB T2P 3T5	Oil & Gas Exploration and Development	Common Shares 23.47%	2.0% Class A Shares - \$2,726,078 Class R Shares - \$5,670,242
Biktrix Enterprises Inc. 640 Broadway Avenue, #1A Saskatoon, SK, S7N 1A9	E-bike Designer and Manufacturer	Preferred Equity 100% Subordinated Debenture	0.5% Class A Shares - \$1,000,000 Class A Shares - \$1,028,663
Caltex Resources Ltd. Suite 1500, 717 – 7th Avenue SW Calgary, AB T2P 0Z3	Oil & Gas Exploration and Development	Common Shares 7.75%	3.1% Class A Shares - \$7,248,120 Class R Shares - \$5,378,352
Coconut Software Inc. 121 Research Drive, Suite 102 Saskatoon, SK S7N 1K2	Technology & Software	Preferred Shares 11.4%	0.4% Class A Shares - \$1,649,999
Community Electric Ltd. 811A 58th Street East Saskatoon, SK S7K 6X5	Electrical Contractor and Developer of Automated Controls	Subordinated Debenture	0.4% Class A Shares - \$1,750,000
Curatio Networks Inc. 1200-555 W Hastings Street Vancouver, BC V6B 4N6	Technology & Software	Preferred Shares 6.1%	0.1% Class A Shares - \$325,000
Elgin Development Limited Partnership 220 - 1911 Park Street Regina, SK S4N 2G5	Real Estate	Limited Partnership Units 25.81% Subordinated Debenture	0.2% Class A Shares - \$204,101 Class A Shares - \$770,000
Firesky Energy Inc. 200 – 1329 3rd Street Estevan, SK S4A 0S1	Oil & Gas Exploration and Development	Common Equity 13.43%	4.1% Class A Shares - \$7,480,002 Class R Shares - \$9,166,284
Foundation Developments Inc. 150-2201 11th Avenue Regina, SK S4P 0J8	Real Estate	Common Shares 60.8% Subordinated Debenture	1.3% Class A Shares - \$1,163,560 Class A Shares - \$3,989,620
Hi-Tec Profiles LP 2301 Industrial Drive Regina, SK S0G 5K0	Manufacturing	Limited Partnership Units 39.96% Common Shares 39.96%	2.1% Class A Shares - \$444,549 Class A Shares - \$8,125,642
Hi-Tec Profiles Holdings Inc. 1925 Victoria Avenue, 2 nd Floor Regina, SK S4P 3R4	Manufacturing	Shareholder Loan 64.74%	0.1% Class A Shares - \$457,174
I.M. Wireless Communications Ltd. 1408 Broad Street Regina, SK S4R 4K9	Telecommunication	Common Shares 19.06%	0.1% Class A Shares - \$194,464
James Hill Road Villa LP 4000 James Hill Road Regina, SK S4W 0N1	Seniors Living and Care Home	Limited Partnership Units 70.05% Subordinated Debenture	4.1% Class A Shares - \$9,110,236 Class A Shares - \$7,586,415
Lazar Equipment Ltd. 520 9th Street West Meadow Lake, SK S9X 1S8	Distributor of Agricultural, Construction and Yard Maintenance Equipment	Common Shares 53.9%	0.2% Class A Shares - \$892,229
Moody's Equipment 1874 Scarth Street Regina, SK, S4P 4E9	Distributor of Agricultural and Construction Equipment(Company Assets Sold)	Limited Partnership Units 71.4%	3.1% Class A Shares - \$12,855,985
Parkside Townhomes 101-B English Crescent Saskatoon, SK S7K 8G4	Real Estate	Common Shares 84.26% Preferred Shares 78.51%	0.8% Class A Shares - \$2,914,743 Class A Shares - \$291,623
Pines Power Sports Marine Ltd. Highway 2 North, P.O. Box 1528 Prince Albert, SK S6V 5T1	Distributor of Recreational Vehicles	Common Shares 44.55% Subordinated Debenture	0.7% Class A Shares - \$300,000 Class A Shares - \$2,586,969

Name and Address of Eligible Investments	Nature of Principal Business	Percentage of Securities of each Class Owned by the Fund	Percentage of Fund's Net Assets, Amount Invested and Committed at Cost
Plains Environmental Inc. #510, 717-7th Avenue SW Calgary, AB T2P 0Z3	Oil Field Waste Disposal	Common Shares 17.17% Convertible Debenture	1.3% Class A Shares - \$1,009,034 Class R Shares - \$296,487 Class A Shares - \$3,236,010 Class A Shares - \$950,846
Prairie Soil Services Inc. Box 550 Norquay, SK S0A 2V0	Value-Added Agriculture	Common Equity 68.65% Subordinated Debt	1.7% Class A Shares - \$4,359,375 Class A Shares - \$2,790,000
Stampede Drilling Inc. 250 – 6 Avenue, SW, 22 nd Floor Calgary, AB T2P 3H7	Oil & Gas Drilling	Common Shares 14.64%	1.6% Class A Shares - \$1,728,583 Class R Shares - \$4,735,206
Steel Reef Infrastructure Corp. Suite 515 – 505 8th Avenue SW Calgary, AB T2P 1G2	Oil and Gas Infrastructure	Common Shares 10.18%	10.6% Class A Shares - \$39,689,975 Class R Shares - \$3,735,447
Sun Country Well Servicing P.O. Box 447 Cochrane, AB T4C 1A6	Oil & Gas servicing	Common Shares 8.09%	0.2% Class R Shares - \$1,000,000
TAM International LP 1020-606 Spadina Crescent East Saskatoon, SK S7K 3H1	Transportation & Logistics	LP Units 44.78%	2.2% Class A Shares - \$8,770,000 Class R Shares - \$186,000
Terra Grain Fuels Inc. 1874 Scarth Street Regina, SK, S4P 4E9	Alternative Energy (Company Assets Sold)	Common Shares 35.69% Subordinated Debt	0.9% Class A Shares - \$1 Class R Shares - \$1 Class A Shares - \$3,415,795 Class R Shares - \$250,463
Turnstone Energy Inc. Suite 400 – 215 9 th Avenue SW Calgary, AB T2P 1K3	Oil & Gas Exploration and Development	Common Shares 7.32%	1.3% Class A Shares – \$3,589,958 Class R Shares - \$1,706,371
Urban Heights 101-B English Crescent Saskatoon, SK S7K 8G4	Real Estate	Common Shares 79.93% Preferred Shares 69.85%	0.8% Class A Shares - \$2,529,571 Class A Shares - \$1,140,301
Village Care Home Inc. 600-2103 11 th Avenue Regina, SK S4P 3Z8	Health Care	Common Shares 70.05%	0.01% Class A Shares - \$35,025
Yorkterra Development LP Suite 220 – 1911 Part Street Regina, SK S4N 2G5	Real Estate	Limited Partnership Units 32.37%	0.1% Class A Shares - \$225,000

Other than Stampede Drilling Inc., none of the common shares set forth above are listed on a stock exchange or over-the-counter market and the securities are subject to restrictions on resale. For the purposes of determining the Net Asset Value of per Share, the common shares of an investee will be valued as described below in the section “Calculation of Net Asset Value” and in accordance with applicable law.

INVESTMENT RESTRICTIONS AND PRACTICES

Pursuant to the Act, the Saskatchewan Minister has prescribed a policy that for the 24-month period following the end of the Fiscal Year in which Subscriber Shares are issued, the Fund must invest at least 75% of the capital raised through such issuance in any combination of equity shares of Eligible Businesses, liquid reserves or in any other type of investment authorized by the Saskatchewan Regulations. As at the end of such 24-month period, and for the period that follows, the Fund will maintain at least 75% of its share capital in investment instruments issued by Eligible Businesses. Until such investments are made, the proceeds of this Offering will be held in cash or invested in Other Permitted Investments.

Under the Act (and the exercise of ministerial discretion), Trust Monies must be set aside in a trust fund until the Fund has invested 55% of the capital raised from the sale of Subscriber Shares, during the applicable fiscal period, into Eligible Businesses and is otherwise in compliance with the Act. The Trust Monies must remain in trust until such time as the Fund has satisfied the investment criteria noted above with respect to 55% of the capital raised by the sale and issuance of Subscriber Shares during the applicable fiscal period. Pending release, the Trust Monies will be invested in Other Permitted Investments. Once 55% of the capital raised has been invested by the Fund into Eligible Businesses then, subject to receipt of written instructions from the Saskatchewan Ministry of the Economy and the Fund authorizing release of the Trust Monies held in trust, the applicable Trust Monies will be released from trust and invested in Eligible Businesses. Pursuant to the Tax Credit Trust Agreement, Concentra Trust has agreed to hold the Trust Monies and release them in accordance with the terms of the Tax Credit Trust Agreement. The Fund entered into a Tax Credit Trust Agreement between the Fund, Concentra Trust and the Province of Saskatchewan dated April 15, 2017, to coincide with the appointment of Concentra Trust as the new Custodian in place of CIBC Mellon Global Securities Services Company. The Tax Credit Trust Agreement is materially the same as the prior arrangement previously entered into between the Fund, CIBC Mellon Global Securities Services Company (as then Custodian for the Fund) and the Province of Saskatchewan.

Failure of the Fund to meet the investment and timing requirements noted above could result in a revocation of the Fund's registration under the Act and penalties being imposed on the Fund. **See "Risk Factors" and "Other Material Facts – Penalties Potentially Applicable to the Fund".**

Any capital gain and interest and other investment income earned on such investments will accrue to the benefit of the Fund.

The Fund will not invest more than 10% of the Net Asset Value of the Fund attributable to the capital raised through the issuance of Subscriber Shares, taken at fair value at the time of such investment, in any one Eligible Business, or in any combination of an Eligible Business and one or more corporations that are not dealing at arm's length with the Eligible Business.

The Fund is prohibited by the Act from using any of the Net Asset Value of the Fund to:

- (a) provide loans, guarantees or other financial assistance to any shareholder of the Fund, or any person related to a shareholder of the Fund; or
- (b) invest in an Eligible Business that has provided financial assistance to a shareholder of the Fund by means of a loan, guarantee, provision of security, or any other financial assistance.

Although the Fund is a "mutual fund" as defined in the securities legislation applicable in the Province of Saskatchewan, it is not subject to certain statutory requirements which otherwise govern mutual funds. In this respect certain of the statutory requirements applicable to the incorporation and capitalization of mutual funds corporations, the frequency of determining Net Asset Value per Share and the suspension of redemptions do not apply to the Fund. In addition, the Fund is not subject to investment restrictions applicable to mutual fund investments, including restrictions in respect of illiquid investments, the borrowing or lending of monies, or the provision of guarantees for the debts or obligations of other persons or companies. The Financial and Consumer Affairs Authority of Saskatchewan has granted the Fund exemption from, or has allowed variation in respect of, certain of the standard investment restrictions and practices that are otherwise applicable to mutual funds. Typically a mutual fund is not, without the prior approval of the securities regulatory authorities:

- (a) allowed to purchase the securities of an issuer (except for the securities of designated governments or agencies thereof) if, as a result, the mutual fund would hold more than 10% of any class or series of a class of securities of such issuer. The Fund has been granted exemption from this restriction;
- (b) allowed to purchase mortgages other than permitted mortgages (meaning mortgages guaranteed or insured by the Government of Canada or by the government of any province of Canada, or agencies thereof). The Fund has been granted exemption from this restriction;
- (c) allowed to purchase permitted mortgages (meaning mortgages guaranteed or insured by the Government of Canada or by the Government of any Province of Canada, or agencies thereof) if following such

- purchase more than 10% of the total assets of the mutual fund would consist of permitted mortgages. The Fund has been granted variation of this restriction as applicable to the Fund so as to permit it to purchase permitted mortgages provided that no more than 25% of the total assets of the Fund, at any one time, consist of investments in permitted mortgages;
- (d) allowed to purchase securities for the purpose of exercising control or management over the issuer of the securities. The Fund has been granted exemption from this restriction;
 - (e) allowed to purchase any security of an issuer which may, by its terms of purchase, require the mutual fund to make a contribution in addition to the payment of the purchase price for that security. The Fund has been granted exemption from this restriction, provided that if the Fund agrees to make additional investments in an Eligible Business (in addition to the initial investment) then such additional investment would typically be made provided that certain performance targets have been met by the business within certain contemplated time frames, and provided that the total amount of additional investment, the performance targets and the time frames within which the performance targets must be met, have been fixed at the date of the original investment in the business. Additional investments are not limited to a further single advance but could consist of subsequent multiple advances;
 - (f) allowed to guarantee the securities or obligations of any other person or corporation. The Fund has been granted modification of this restriction as it is applicable to the Fund, such that the Fund is permitted to provide guarantees in an aggregate amount not exceeding 10% of the Net Asset Value of the Fund, from time to time, provided that the Fund maintains reserves equal to 25% of the principal amount of the obligations guaranteed by the Fund; and
 - (g) allowed to invest more than 10% of its total equity in illiquid investments. The Fund has been granted exemption from this restriction on the condition that the Fund at all times maintains a reserve fund of liquid investments which will enable the Fund to make any redemptions that it could be required to make in any fiscal period, as a result of the redemption provisions attached to the Subscriber Shares of the Fund. The Fund will establish a reserve for redemptions for each share class based on the lesser of 20% of the Fund's retained earnings attributable to each share class or 50% of the Fund's net earnings after tax attributable to each share class for the immediately preceding Fiscal Year.

Except as indicated above, the standard investment restrictions and practices otherwise applicable to mutual funds are applicable to the Fund, and such restrictions and practices are deemed to be incorporated in this prospectus by reference. A copy of the standard investment restrictions and practices shall be provided by or on behalf of the Fund to any person requesting the same.

The Government of Saskatchewan has legislated additional investment restrictions or practices of the Fund, being:

- Investments in companies with a market capitalization of \$500 million or more are prohibited. If an investment is acquired through acquisitions or mergers and the resulting investment has over \$500 million in capitalization, such investment must be disposed of on or before the date that is 60 months after the last day of the Fiscal Year in which the capitalization of the Eligible Business first exceeded \$500 million;
- New investment in companies primarily engaged in owning, leasing, or custom farming agricultural land will be prohibited;
- As of January 1, 2014, the Fund, being a labour-sponsored venture capital fund, has been required to invest, during the 24-month period following the end of a Fiscal Year 18.75% of the Net Equity Capital raised in that Fiscal Year in Eligible Businesses engaged in the Innovation Sector. The Fund achieved its Innovation Sector investment requirements for the 2019-2020 Fiscal Year and each of the prior Fiscal Years since the introduction of the Innovation Sector investment requirements.

In addition to the investment restrictions described above, the Board will, from time to time, establish certain other investment policies. The Board has approved the following investment restrictions and policies, which may be varied from time to time by the Board, as opportunities and market conditions dictate, and as permitted by the Act:

- The portfolio assets of the Fund will be held in the custody of Concentra Trust as custodian.
- The Fund will not pledge or mortgage any of its assets or borrow money, except as a temporary measure for the purpose of accommodating requests for the redemption of Subscriber Shares while effecting an orderly

liquidation of portfolio securities, provided that after giving effect to such borrowing, the outstanding amount of all such borrowing does not exceed 5% of its total equity valued at the time of such borrowing.

- The Fund will not lend its portfolio assets except in accordance with any guidelines or restrictions imposed on the lending of portfolio assets by mutual funds.
- The Fund will not make loans, except in the ordinary course of investing its funds, make short sales of securities or purchase securities on margin or act as an underwriter of securities.
- The Fund will not lend directly or indirectly to the Sponsor.
- The Fund may obtain conventional convertible securities, warrants, rights and options in connection with any investment in an Eligible Business, including rights to acquire additional securities or rights to sell securities of the entities in which it invests.
- The Fund may use specified derivatives for hedging purposes only.
- The Fund will not trade in commodities or commodity contracts.
- The Fund may from time to time issue a further series of Class A and Class R shares for subscribers to accommodate changes in the regulatory regime relating to fee structure commissions and related administrative changes invoked by brokers or dealers in the distribution of the Fund's shares. As of the date of this prospectus, only the Subscriber Shares are offered for sale to investors.
- The Fund may from time to time issue Class C Shares on a private placement basis to corporate, institutional and other investors who do not benefit from the tax advantage of an investment in Subscriber Shares. As of the date of this prospectus, the Fund has not issued any Class C Shares.
- The Fund may invest in illiquid securities and securities the resale of which may be restricted.
- The Fund will maintain the Liquidity Reserve invested in Other Permitted Investments, may use the Liquidity Reserve to fund redemptions and to make protective, follow-on investments in existing Eligible Investments, and will replenish the Liquidity Reserve after such use.
- The Fund will not invest in or lend money to any Eligible Business in which a director, officer or employee of the Manager has a material interest, whether such interest is direct or indirect. Subsequent to an investment, a director, officer or employee of the Manager may, as a representative of the Fund, become a director of an investee business.

As a labour-sponsored venture capital corporation, the Fund is not subject to compliance with the legislative rules directed at ensuring liquidity and diversification of investments and certain other investment restrictions and practices normally applicable to mutual funds, although the Fund may choose to follow such rules, restrictions and practices. As a result, the Fund may provide guarantees for the debts or obligations of other persons or companies or make investments of a nature or size which also involves participation in the management of the business, which other mutual funds would not make. Larger investments may also enable the Fund to obtain rights (for example, in shareholders' agreements) which it believes are advantageous to the protection of its interests.

The investment restrictions and policies described above may be varied from time to time by the Fund, provided that such variation is permissible under the Act, the Saskatchewan Regulations and all other applicable legislation.

FEES AND EXPENSES

This table lists the fees and expenses that an investor may have to pay if it invests in the Fund. The Investor may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will be required to be deducted from the gross revenues of the Fund:

Fees and Expenses Payable by the Fund

Type of Fee	Amount and Description
Agent's Corporate Finance Fee	\$25,000 per annum (plus any applicable taxes) is paid to the Agent.
Agent's Legal Fees	\$25,000 per annum plus disbursements and taxes is paid to Agent's counsel.

Agent's Base Commission	<p>The investor may choose, in consultation with the applicable Agent or Sub-Agent, one of the following two options for payment of the Base Commission:</p> <ol style="list-style-type: none"> 3. a One-time Base Commission (of 6% calculated on the individual's cost of purchasing the Class A – Series A shares and Class R – Series A shares and paid to the Agent and Sub-Agents at the time the subscription for such shares is accepted by the Fund); or 4. an Amortized Base Commission (calculated on the investor's cost of purchasing the Class A – Series A shares and Class R – Series A shares and paid to the Agent and Sub-Agents in up to eight annual instalments each in an amount equal to 0.75% of the individual's cost of purchasing such shares, and provided that no further annual instalments will be paid in the event such shares are redeemed prior to the expiry of the amortization period). <p>See “Plan of Distribution” and “Organization and Management Details of the Fund - Management of the Fund – Agent and Other Compensation”. The Agent's or Sub-Agent's One-time Base Commission, as the case may be, is not paid directly by the Fund but is instead paid by Conexus. The Agent's or Sub-Agent's Amortized Base Commission, as the case may be, is paid directly by the Fund. See “Organization and Management Details of the Fund – Management of the Fund – Administrative Services Fee” and “Plan of Distribution – Administrative Services Agreement”.</p>
Agent's Trailer Commission	0.5% calculated on the Net Asset Value per Class A – Series A share and Net Asset Value per Class R – Series A share for each Fiscal Year that the investment is maintained within the Fund. See “Plan of Distribution – Administrative Services Agreement”.
Agent's Additional Commission	1.0% calculated on the gross proceeds raised in any Fiscal Year through the sale of Subscriber Shares is paid by the Fund to the Agent at the time the subscription for Subscriber Shares is accepted by the Fund. See “Plan of Distribution” and “Organization and Management Details of the Fund – Management of the Fund – Agent and Other Compensation”.
Management Base Fee	2.5% per annum of the aggregate Net Asset Value per Share as at each valuation date is paid to the Manager.
IPA	20% of the return derived from an Eligible Investment of the Fund is accrued from the date of investment in Eligible Investments and the IPA associated with an Eligible Investment will be paid annually to the Manager only upon realization of the Eligible Investment. See “Organization and Management Details of the Fund – Management of the Fund – Management Fees and Expenses”.
Administrative Services Fee	0.875% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of a One-time Base Commission has been elected) or 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of an Amortized Base Commission has been elected) and 0.125% of the gross proceeds raised in

any calendar year on the sale of Class A – Series F shares and Class R – Series F shares is paid to Conexus.

Other Fees and Expenses

All direct costs and expenses incurred in the operation of the Fund. See **“Fees and Expenses – Fees and Expenses Payable by the Fund”**.

Fees and Expenses Payable by the Investor

Type of Fee	Amount and Description
Sales Charge	Sales commissions and other fees and expenses are paid indirectly by investors through the Fund. The Fund, directly or indirectly, pays such commissions, fees and costs, as applicable, out of the proceeds from the sale of Class A – Series A shares and Class R – Series A shares. See “Plan of Distribution” .
Transfer Fee	Nil.
RRSP Fee	The Manager, on behalf of the Fund, has made arrangements with Concentra Trust, pursuant to which individual investors may establish a RRSP with Concentra Trust and have the RRSP purchase Subscriber Shares. Where the aggregate funds in a trust governing a RRSP or a RRIF are less than \$10,000 at the end of the eight year hold period for the initial subscription, a one-time administrative fee, payable at the end of the eight year hold period for the initial subscription, in the sum of \$35 plus GST (\$36.75 in total) will be charged by Concentra Trust for such transactions. These fees may be waived by the Fund. These administration fees are subject to change on 60 days’ notice without prior approval of the participants. Investors may also have their own or their spouse’s or common law partner’s self-directed RRSP purchase Subscriber Shares. See “Plan of Distribution – RRSP Purchases” and “Income Tax Considerations” .

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

The management expense ratio and annual returns of the Class A – Series A shares and Class R – Series A shares of the Fund for the past five years are as follows:

Class A – Series A shares

Year	Annual Return⁽¹⁾	Management Expense Ratio⁽²⁾	Adjusted Management Expense Ratio⁽³⁾	Trading Expense Ratio⁽⁴⁾
2020	-5.14%	4.29%	4.29%	0.00%
2019	1.36%	6.06%	4.22%	0.01%
2018	13.97%	9.29%	4.25%	0.07%
2017	15.32%	9.64%	4.32%	0.40%
2016	1.13%	6.89%	4.33%	0.00%

Notes:

- (1) The Annual Return of the Class A – Series A shares is calculated based on the Net Asset Value per Class A – Series A share.
- (2) The Management Expense Ratio of the Class A – Series A shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class A – Series A shares (including an estimated contingent IPA attributable to the Class A – Series A shares and all Class A – Series A share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class A – Series A shares is the Management Expense Ratio of the Class A – Series A shares excluding an estimated contingent IPA attributable to the Class A – Series A shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

Class R – Series A shares

Year	Annual Return ⁽¹⁾	Management Expense Ratio ⁽²⁾	Adjusted Management Expense Ratio ⁽³⁾	Trading Expense Ratio ⁽⁴⁾
2020	-18.83%	1.40%	4.71%	0.00%
2019	0.74%	6.82%	4.69%	0.03%
2018	1.24%	7.50%	4.85%	0.08%
2017	-3.59%	6.07%	4.79%	0.00%
2016	-12.40%	4.85%	4.62%	0.00%

Notes:

- (1) The Annual Return of the Class R – Series A shares is calculated based on the Net Asset Value per Class R – Series A share.
- (2) The Management Expense Ratio of the Class R – Series A shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class R – Series A shares (including an estimated contingent IPA attributable to the Class R – Series A shares and all Class R – Series A share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class R – Series A shares is the Management Expense Ratio of the Class R – Series A shares excluding an estimated contingent IPA attributable to the Class R – Series A shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

The management expense ratio and annual returns of the Class A – Series F shares and Class R – Series F shares as at August 31st for the past five years are as follows:

Class A – Series F shares

Year	Annual Return ⁽¹⁾	Management Expense Ratio ⁽²⁾	Adjusted Management Expense Ratio ⁽³⁾	Trading Expense Ratio ⁽⁴⁾
2020	-3.52%	3.10%	3.10%	0.00%
2019	3.75%	5.26%	3.64%	0.01%
2018	17.09%	7.82%	3.53%	0.07%
2017	18.45%	7.81%	3.43%	0.40%
2016	3.31%	5.79%	3.13%	0.00%

Notes:

- (1) The Annual Return of the Class A – Series F shares is calculated based on the Net Asset Value per Class A – Series F share.
- (2) The Management Expense Ratio of the Class A – Series F shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class A – Series F shares (including an estimated contingent IPA attributable to the Class A – Series F shares and all Class A – Series F share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class A – Series F shares is the Management Expense Ratio of the Class A – Series F shares excluding an estimated contingent IPA attributable to the Class A – Series F shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

Class R – Series F shares

Year	Annual Return ⁽¹⁾	Management Expense Ratio ⁽²⁾	Adjusted Management Expense Ratio ⁽³⁾	Trading Expense Ratio ⁽⁴⁾
2020	-14.02%	1.00%	3.27%	0.00%
2019	1.62%	5.51%	3.80%	0.03%

2018	2.02%	5.89%	3.81%	0.08%
2017	-2.57%	4.49%	3.53%	0.00%
2016	-9.58%	3.42%	3.20%	0.00%

Notes:

- (1) The Annual Return of the Class R – Series F shares is calculated based on the Net Asset Value per Class R – Series F share.
- (2) The Management Expense Ratio of the Class R – Series F shares has been calculated by aggregating all fees and expenses paid or payable by the Fund and attributable to the Class R – Series F shares (including an estimated contingent IPA attributable to the Class R – Series F shares and all Class R – Series F share issue costs, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities) and is expressed as an annualized percentage of the weekly average total equity administered during the period.
- (3) The Adjusted Management Expense Ratio of the Class R – Series F shares is the Management Expense Ratio of the Class R – Series F shares excluding an estimated contingent IPA attributable to the Class R – Series F shares.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average total equity administered during the period.

Because of the nature of the investments that the Fund intends to make, it is anticipated that the management expense ratio of the Subscriber Shares will be higher than that of conventional mutual funds. Management expense ratios vary from mutual fund to mutual fund.

The trading expense ratio for each of the Class A – Series A shares and Class R – Series A shares is determined by dividing the total commissions and other portfolio transaction costs for each share class by the average Net Asset Value per Share of that share class over the period.

RISK FACTORS

In addition to the other risk factors contained elsewhere in this prospectus, the following may be considered as risk factors pertaining to an investment in Subscriber Shares.

Nature of Investment

An investment in the Fund is appropriate only for investors who are able to make a long-term investment and who have the capacity to absorb a loss of some or all of their investment. In addition, Class R Shares are highly speculative in nature given the investment focus for such shares in the energy, mining, and related sectors.

The business of the Fund is to make investments in Saskatchewan-based small and medium-sized Eligible Businesses. There is no assurance that suitable investments will be found. There is no guarantee that an investment in the Subscriber Shares will earn an acceptable rate of return or any return in the short or the long term. An investment in Subscriber Shares is only appropriate for investors able to make a long-term commitment, and with the capacity to absorb a loss of some or all of their investment.

Investments of the kind to be made by the Fund, by their nature, involve a longer commitment than that typical for other types of investments made by mutual funds. Many investments made by the Fund require between five to eight years in order to mature and generate the returns expected by the Fund. Furthermore, despite diversification of the Fund's investment portfolio for purposes of distributing risk, the investments of the Fund are likely to mature at different times creating an irregular pattern in the Net Asset Value per Share. In addition, certain of the investments may not mature and generate the returns expected, and losses on unsuccessful investments are often realized before gains on successful investments are realized.

Although the Fund is a mutual fund, many of the rules designed to protect investors who purchase securities of mutual funds will not apply to the Fund. In particular, rules directed at ensuring liquidity and diversification of investments as well as certain investment restrictions and practices normally applicable to mutual funds do not apply. In addition, diversification of investments which are made by the Fund may also be limited due to the size of the Fund. The Fund may also take positions in small and medium-sized Eligible Businesses which represent a larger percentage of the equity than a mutual fund would be permitted to take, and this may increase the risk per investment. **See “Investment Objectives” and “Investment Strategies”.**

Venture capital investment in Eligible Businesses according to the investment restrictions and policies applicable to the Fund requires a greater commitment to investment analysis than investments in most other securities. The values which the Fund places on its investments may not reflect the amounts for which they can actually be sold. Particularly, the carrying value of the existing investments in Eligible Businesses represents, in certain instances, the unrealized gain of such investment and may not reflect the actual value for which such investment can be sold. In addition, the cost to determine the value of the Fund's assets for which no published market exists will be greater than valuation costs for mutual funds which invest primarily in listed securities. Consequently, the operating expenses of the Fund may be higher than those of many mutual funds and other pooled investment vehicles.

The Act, pursuant to ministerial discretion, permits up to twenty-five percent (25%) of the capital raised by the Fund through the sale and issuance of Subscriber Shares to be utilized by the Fund, if required, to satisfy payment of the Fund's ongoing operating expenses. There is no assurance that the operating expenses will not exceed the actual revenues generated within the Fund on an on-going basis, on which event the aforesaid 25% of the Fund capital will be at risk. **See "Investment Strategies".**

The Fund invests in Eligible Investments conducting business in Saskatchewan and any concentration of investment in this manner may result in the value of the Fund fluctuating to a greater degree than if the Fund invested in a broader geographical diversification of businesses.

Investments in companies with a market capitalization of \$500 million or more are prohibited and any existing investments in companies with a market capitalization of \$500 million or more acquired through acquisitions, dispositions or mergers must be disposed of on or before the date that is 60 months after the last day of the Fiscal Year in which the capitalization of the Eligible Business first exceeded \$500 million. To the extent that the Fund has invested in companies with a market capitalization of \$500 million or more the Fund may not be able to achieve the potential value anticipated by the Fund due to such required divestitures.

Legislative or Governmental Policy Changes

Changes may be introduced to the Federal and Saskatchewan legislation that provides for tax credits for investment in labour-sponsored venture capital corporations and related matters (including governmental policies and administrative positions relating to such legislation and interpretation thereof). If such changes are unfavourable, the Fund's ability to attract further investment could be impaired. As a result, the availability of capital for investment by the Fund could be reduced, thereby decreasing the Fund's ability to fulfill its investment objectives, and the Fund could be required to liquidate its investments at potentially unfavourable prices in order to satisfy redemption requests (subject to the restrictions on redemptions set out herein).

Maximum annual tax credits apply in respect of all purchases of shares of prescribed and registered labour-sponsored venture capital corporations, for each taxation year, including the Fund. If, in the opinion of the Saskatchewan Minister, the number of corporations registered pursuant to the Act is sufficient to take up the maximum annual tax credits available, the Saskatchewan Minister may suspend the further registration of corporations, suspend the allowance of tax credits or allocate the tax credits amongst the registered corporations.

The Federal government and the Saskatchewan government may introduce changes impacting the availability and amount of tax credits for investments in labour-sponsored venture capital corporations. For example, as part of its 2013 Federal budget, the Government of Canada announced a phasing out of the Federal tax credit with the tax credit being 10% in 2015. As part of its 2016 Federal budget, the Federal government announced the reinstatement of the Federal tax credit for the 2016 taxation year at 15%. For the 2018 and subsequent taxation years, the Saskatchewan tax credit was reduced from 20% to 17.5%. There can be no assurance that the tax credits available as of the date of this prospectus will continue to be offered by the Federal and the Saskatchewan governments.

The Saskatchewan government may also introduce changes impacting the total capital available to be raised, and how such capital may be used, by labour-sponsored venture capital corporations. For example, the total capital available to be raised by labour-sponsored venture capital corporations in Saskatchewan in any 12-month period was reduced from \$55 million to \$40 million as of April 1, 2013 and to \$35 million as of April 1, 2018. The Saskatchewan government

also currently requires labour-sponsored venture capital corporations to invest at least 18.75% of the total capital raised from the sale of shares in Eligible Investments in the Innovation Sector, in each case within 24 months from the end of the fiscal year in which those shares were issued. There can be no assurance that the Fund will continue to be able to raise capital in the amount, and use such capital in the manner, available to the Fund as of the date of this prospectus.

Lack of Liquidity

No market exists at present through which the Subscriber Shares may be sold and none is expected to develop.

There are restrictions on the transfer and redemption of Subscriber Shares. See **“Description of the Securities Distributed – Subscriber Shares”** and **“Redemption of Securities”**. The Fund may from time to time decline a request for redemption and where that occurs the request for redemption will remain in effect until withdrawn by the shareholders requesting redemption or until the redemption(s) are subsequently fulfilled by the Fund. Consequently, holders of Subscriber Shares may not be able to sell or redeem their Subscriber Shares and Subscriber Shares may not be accepted as collateral for loans. Investors, who request redemption of Subscriber Shares within eight years of the date of acquisition will, subject to certain exceptions, be subject to a withholding fee equal to the Federal and Saskatchewan tax credits received on the purchase of such Subscriber Shares. See **“Income Tax Considerations”**, **“Other Material Facts – Penalties Potentially Applicable to the Fund”** and **“Description of the Securities Distributed – Subscriber Shares”**.

Redemption of the Subscriber Shares is substantially restricted both by law and due to the fact that the obligation of the Fund to redeem the Subscriber Shares is based on the profitability and retained earnings of the Fund. In particular, with respect to the redemption of Subscriber Shares:

- (1) the Fund is prohibited by law from making redemptions in certain circumstances;
- (2) the Fund may suspend redemptions for substantial periods of time in certain circumstances;
- (3) the Fund, in any Fiscal Year and subject to certain exceptions, will not be required to redeem Subscriber Shares if, (i) the redemption would create a working capital deficiency for the Fund, (ii) the redemption would cause the Fund to be in default of its financial obligations under an arm's length loan agreement, (iii) the Fund is insolvent or would be rendered insolvent as a result of the redemption, or (iv) the total redemptions in the Fiscal Year would exceed either 20% of the Fund's retained earnings or 50% of the Fund's net earnings after taxes for the previous Fiscal Year; and
- (4) should a shareholder or shareholders holding a large block of Subscriber Shares seek redemption, any Subscriber shareholder making a subsequent request may not be able to achieve immediate redemption. Further, a request for a large redemption may impact the price that is realized on the Fund's investment(s) and thereby adversely affect the Net Asset Value per Share.

Investors may not be able to dispose of their Subscriber Shares other than by way of redemption as there is no formal market, such as a stock exchange, through which Subscriber Shares may be sold, and none is expected to develop. There are restrictions on the transfer of Subscriber Shares. See **“Description of the Securities Distributed – Subscriber Shares”**.

The Manager believes that the Fund can satisfy redemption requests for any series of Class A Shares and/or Class R Shares in the ordinary course. However, if cash inflows from income and principal repayments, divestment activity or sales of any series of Class A Shares or series of Class R Shares are materially lower than expected, or if levels of any series of Class A Shares or series of Class R Shares redemption requests or expenses are materially higher than expected, the Fund may not have sufficient cash available to process redemption requests in the ordinary course. Should the Fund not have sufficient cash available to process redemptions it may not be able to make new investments, which could adversely affect the Fund's ability to meet its investment objectives. See **“Investment Strategies”**.

Non-Compliance with Investment Requirements

The Fund may have its registration under the Act revoked and be subject to certain penalties if it does not comply with the investment and other requirements of the Act. Among other things, the Fund may have its registration under the Act revoked and become subject to penalties under the Act and Federal Tax Act if (a) the Fund does not invest at least 75% of the capital raised from the sale of Subscriber Shares in Eligible Investments, or (b) the Fund does not invest at least 18.75% of the Fund's Net Equity Capital raised from the sale of Subscriber Shares in Eligible Investments in the Innovation Sector, in each case within 24 months from the end of the Fiscal Year in which those shares were issued. **See "Other Material Facts – Penalties Potentially Applicable to the Fund"**. The investment performance of the Fund and the Net Asset Value per Share may be adversely affected if the Fund becomes subject to such penalties or if its registration is revoked. Further, if the Fund's registration under the Act is revoked, the Fund will cease to qualify as a labour-sponsored venture capital corporation under the Federal Tax Act and the Saskatchewan Tax Act, and the Federal or Saskatchewan tax credits will not be available in respect of purchase of Subscriber Shares after such registration is revoked.

Use of Proceeds to Fund Redemptions

While the Manager believes that the Fund can satisfy redemptions that may come due through the Capital Reserve and the Liquidity Reserve, to the extent that such Capital Reserve is insufficient to satisfy redemptions, a portion of the proceeds of the offering of Subscriber Shares hereunder may be used to fund such redemptions. **See "Redemption of Securities" and "Description of the Securities Distributed – Subscriber Shares – Redemption by Holders"**.

Industry Concentration

Since the focus of the Fund, with respect to the issuance of Class R Shares, is to invest the capital raised through the issuance of Class R Shares (minus the Liquidity Reserve) in Eligible Investments in the energy, mining and related sectors, rather than a broad cross-section of the economy (as is the case with the net proceeds of the issuance of the Class A Shares (minus the Liquidity Reserve)), the Net Asset Value attributable to the capital raised through the issuance of Class R Shares may be more volatile than that of portfolios with a more diversified investment focus. The value of the energy and mining investment portfolio of the Fund may fluctuate as a result of factors affecting the energy and mining sectors generally.

The Fund, being a labour-sponsored venture capital corporation, is mandated to invest a certain portion of its share capital in the Innovation Sector. **See "Investment Strategies" and "Investment Restrictions and Practices"**. The risks associated with such mandated investment include the potential failure of any discovery, innovation, or invention. Innovation companies that have developed new technologies may have difficulty gaining market acceptance and sales of their new products or services. The value of innovation companies is often highly dependent on their intellectual property and the protection of such property with patents, trademarks and similar laws. Possible infringement or changes to existing laws pertaining to intellectual property will generally have an effect on the value of investments in the technology sector. There is also no assurance that suitable investments in innovation companies will be found. As a result, such mandated investment could have an adverse effect on the Net Asset Value per Share.

Reliance on Management

Investors will be relying upon the business judgment, expertise and integrity of the Board, the officers of the Fund and the Manager. The ability of the Manager to successfully manage the Fund and its investments is dependent upon its ability to attract and retain qualified personnel. The failure to attract and retain such qualified personnel could have an adverse effect on the Fund. Further, the Manager cannot effectively be terminated by the Fund unless by mutual agreement between the Manager and the Fund. Holders of Subscriber Shares are entitled to elect only a minority of the directors of the Fund (currently four of nine).

Conflicts of Interest

The services of the Board, the officers of the Fund and the Manager are not exclusive to the Fund, and such persons may provide similar services to other parties including other venture capital corporations or investment vehicles. See **“Organization and Management Details of the Fund – Management of the Fund – Conflicts of Interest”**. Such conflicts could have adverse effects on the Fund.

Indemnification of Manager and its Officers and Directors

The Fund will fully indemnify and save harmless the Manager and its directors, officers, employees and agents from and against any and all liability and expense whatsoever arising out of the Manager’s actions pursuant to the Management Agreement, other than liability and expense arising out of the bad faith, gross negligence or willful misconduct of the Manager or its agents or employees. The Fund also has similar indemnification obligations toward the members of the IRC. Such indemnification obligations could decrease returns which would otherwise be available to shareholders of the Fund and could adversely affect the Net Asset Value per Share.

Follow-on Financings

Some of the Fund’s investees may require additional financing after the Fund has invested in order to fully implement their business strategies. If the Fund is unable to raise additional capital after it has met the investment pacing requirements applicable to it or is otherwise unable to participate in follow-on financings, it will be reliant upon third parties to provide future funding to these investees and may suffer dilution and adverse changes in the terms of its investments. The ability of the Fund to raise additional capital depends upon a number of factors including the state of the capital markets and future changes to the Act.

External Factors

The Net Asset Value per Share, is based on the value of the investments in the Fund’s portfolio. The value of the investments will fluctuate with general economic conditions, including the level of interest rates, corporate earnings, economic activity, the Canadian dollar and other factors. Given the Fund’s investment focus, the risk associated with such fluctuations may be increased for investors in the Subscriber Shares since emerging businesses often are affected more than larger, more mature entities, by external events, including downturns in general economic conditions.

Certain events, such as natural disasters, war, civil unrest, terrorist attacks, and public health crises like epidemics, pandemics or outbreaks of new infectious diseases or viruses (such as Covid-19) can materially adversely affect the Fund’s business, financial condition, liquidity or results of operations. Such events may result in a slowdown in economic activity, higher unemployment, reduced consumer activity and volatility in prices, raising the prospect of a recession. Such events can also materially adversely affect the business, financial condition, liquidity or results of operations of third parties in which the Fund invests. It is difficult to predict how the Fund may be affected if such an event persists for an extended period of time. All such events may impact the Fund’s performance.

At August 31, 2020, the full economic impact of the Covid-19 pandemic on the Fund and its investees were not yet known. The Fund’s investment valuations described in in the Fund’s audited annual financial statements for the year ended August 31, 2020 reflect the effects of the pandemic to August 31, 2020, which in most cases resulted in negative adjustments compared to 2019. However, additional adjustments after August 31, 2020 may be necessary as the full impact of the pandemic becomes better understood. If additional adjustments are required, it is expected these will have a negative effect on the net assets of both Class A and Class R shares.

Valuations

The Fund offers Subscriber Shares at the Net Asset Value per Share at the last Business Day of each week. These values will be based, in part, on estimates of the fair market value of the Fund’s assets for which there is no published market, which estimates are made quarterly and updated weekly. This valuation process is inevitably based on inherent

uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments. To the extent that these valuations are too high, new shareholder investment will provide a benefit to existing investors; similarly, to the extent these valuations are too low, existing investors will suffer a dilution in the value of their shares. Valuation of the Fund's assets are done by Management of the Fund and reviewed annually, in the aggregate, by the Auditors. No independent valuation is to occur unless at the request of the Auditors. **See "Calculation of Net Asset Value".**

Most of the Fund's investments are in small privately held companies. These investments are, on an ongoing basis, valued by the Manager of the Fund and reviewed annually by the Auditors. No independent valuation or assessment of these investments is conducted and the Agent has not done an independent review of any of those investments nor the value of those investments presented by the Fund. As many of the Fund's investments are in small privately held companies, there can be no assurance that the Fund will be able to recover any of its investment in any such company should such company fail.

IPA Payable

Pursuant to the Management Agreement, the Fund is responsible for payment to the Manager of the Management Base Fee and the IPA. The IPA is calculated as 20% of the return derived from an Eligible Investment of the Fund and is paid annually to the Manager upon realization of an Eligible Investment. The IPA is not affected by changes in the Net Asset Value per Share reported in the Fund's financial statements. There is a risk that an IPA may be earned in years when the Net Asset Value per Share has no return or negative returns. **See "Organization and Management Details of the Fund – Management of the Fund – Management Fees and Expenses".**

Inability to Use Tax Credits

An individual should calculate his or her Federal tax payable and Saskatchewan tax payable carefully to ensure that the amount of Federal tax credit and Saskatchewan tax credit available, as a result of a purchase of Subscriber Shares, may be fully utilized. Unused tax credits are not refundable and may not be carried forward or back to reduce taxes otherwise payable for other years. An individual will not be able to take full advantage of the Saskatchewan tax credit or Federal tax credit if the amount of tax payable under the Saskatchewan Tax Act or the Federal Tax Act is less than the Saskatchewan tax credit or the Federal tax credit, as applicable. For example, if an individual no longer resides in Saskatchewan as at the last day of a taxation year, for income tax purposes the individual may have no tax payable under the Saskatchewan Tax Act, notwithstanding the fact that the individual may have earned income in the year in Saskatchewan.

Additional Valuation Requirements

The Auditors may require an independent valuation of one or more of the Fund's portfolio investments. If the Auditor requires a large number of such independent valuations within a short period of time, such requirements could result in a significant increase in the Fund's expenses.

DISTRIBUTION POLICY

The Fund may declare such dividends on the Subscriber Shares from time to time out of monies legally available for dividends as may be appropriate. There has been no cash dividend distribution by the Fund since its inception.

The Fund intends to capitalize annually certain amounts of its interest and other investment income (other than dividends in respect of taxable Canadian corporations) and capital gains to the extent necessary to obtain a refund of the tax otherwise payable on its taxable capital gains and to reduce the tax otherwise payable by it on its interest and other investment income (other than dividends in respect of taxable Canadian corporations). Such capitalization will be effected by increasing the stated capital of the Subscriber Shares. If and to the extent that the Fund increases the stated capital of the Subscriber Shares, a holder of Subscriber Shares will be deemed to have received a dividend equal to the amount of the stated capital increase in respect of his or her Subscriber Shares. **See "Income Tax Considerations – Federal Taxation of Shareholders – Dividends", "Income Tax Considerations – Federal**

Taxation of the Fund – Capital Gains and Losses” and “Income Tax Considerations – Federal Taxation of the Fund – Dividend Refunds and Capitalization of Income”.

PURCHASE OF SECURITIES

The Subscriber Shares will be distributed on a best efforts basis primarily through the Agent. The Investor may contact the Agent for a list of Sub-Agents who are also authorized to sell Subscriber Shares to residents in the Province of Saskatchewan. The minimum initial subscription for Subscriber Shares is \$500, and the minimum for subsequent subscriptions is \$100. The Fund may waive minimum initial and subsequent subscription amounts to accommodate pre-authorized contribution plans and payroll deduction plans. The minimum initial and subsequent subscription amounts may be changed from time to time by the Board. Subscriber Shares are being offered to individuals and RRSPs.

The maximum dollar amount of Subscriber Shares that can be issued in each of the 12-month periods ending March 31, 2021 and March 31, 2022 is \$35 million. The maximum dollar amount of Class R Shares that can be issued in the 12-month period ending March 31, 2021 is \$5 million. The maximum dollar amount of Class A Shares that can be issued in the 12-month period ending March 31, 2021 is \$35 million or, if any Class R Shares have been issued during that 12-month period, an amount equal to \$35 million less the dollar amount of such Class R Shares issued as of that time.

The Class A – Series A, Class A – Series F, Class R – Series A, and Class R – Series F shares are offered to investors at prices equal to their respective Net Asset Value per Share. All Subscriber Shares will be offered on a continuous basis at their respective Net Asset Value per Share, which are determined on a weekly basis. Accordingly, the price at which Subscriber Shares may be purchased can vary from purchaser to purchaser and during the period of distribution. Subject to the maximum limits on the number of Class A Shares and Class R Shares that may be issued in the 12-month period ending March 31, 2021, investors may invest all of their subscriptions in any series of Class A Shares or series of Class R Shares or a combination of any series of the Subscriber Shares.

The Fund and the Agent have entered into an Agency Agreement, pursuant to which the Agent agreed to act as agent and principal distributor of the Fund in respect of sales of Subscriber Shares. The services to be provided by the Agent to the Fund will include, but shall not be limited to, acting as principal distributor and agent for the sale of Subscriber Shares to eligible Saskatchewan investors, marketing analysis and the appointment of Sub-Agents. **See “Plan of Distribution”.**

Summary of Fees and Expenses

This table lists the fees and expenses that an Investor may have to pay if it invests in the Fund. The Investor may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will be required to be deducted from the gross revenues of the Fund, and therefore reduce the value of an Investor’s investment.

Fees and Expenses Payable by the Fund

Type of Fee	Amount and Description
Agent’s Corporate Finance Fee	\$25,000 per annum (plus any applicable taxes) is paid to the Agent.
Agent’s Legal Fees	\$25,000 per annum plus disbursements and taxes is paid to Agent’s counsel.
Agent’s Base Commission	The investor may choose, in consultation with the applicable Agent or Sub-Agent, one of the following two options for payment of the Base Commission:

5. a One-time Base Commission (of 6% calculated on the individual's cost of purchasing the Class A – Series A shares and Class R – Series A shares and paid to the Agent and Sub-Agents at the time the subscription for such shares is accepted by the Fund); or
6. an Amortized Base Commission (calculated on the investor's cost of purchasing the Class A – Series A shares and Class R – Series A shares and paid to the Agent and Sub-Agents in up to eight annual instalments each in an amount equal to 0.75% of the individual's cost of purchasing such shares, and provided that no further annual instalments will be paid in the event such shares are redeemed prior to the expiry of the amortization period).

See “Plan of Distribution” and “Organization and Management Details of the Fund - Management of the Fund – Agent and Other Compensation”. The Agent's or Sub-Agent's One-time Base Commission, as the case may be, is not paid directly by the Fund but is instead paid by Conexus. The Agent's or Sub-Agent's Amortized Base Commission, as the case may be, is paid directly by the Fund. **See “Organization and Management Details of the Fund – Management of the Fund – Administrative Services Fee” and “Plan of Distribution – Administrative Services Agreement”.**

Agent's Trailer Commission	0.5% calculated on the Net Asset Value per Class A – Series A share and Net Asset Value per Class R – Series A share for each Fiscal Year that the investment is maintained within the Fund. See “Plan of Distribution – Administrative Services Agreement”.
Agent's Additional Commission	1.0% calculated on the gross proceeds raised in any Fiscal Year through the sale of Subscriber Shares is paid by the Fund to the Agent at the time the subscription for Subscriber Shares is accepted by the Fund. See “Plan of Distribution” and “Organization and Management Details of the Fund – Management of the Fund – Agent and Other Compensation”.
Management Base Fee	2.5% per annum of the aggregate Net Asset Value per Share as at each valuation date is paid to the Manager.
IPA	20% of the return derived from an Eligible Investment of the Fund is accrued from the date of investment in Eligible Investments and the IPA associated with an Eligible Investment will be paid annually to the Manager only upon realization of the Eligible Investment. See “Organization and Management Details of the Fund – Management of the Fund – Management Fees and Expenses”.
Administrative Services Fee	0.875% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of a One-time Base Commission has been elected) or 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where payment of the Base Commission by way of an Amortized Base Commission has been elected) and 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series F shares and Class R – Series F shares is paid to Conexus.

Other Fees and Expenses	All direct costs and expenses incurred in the operation of the Fund. See “Fees and Expenses – Fees and Expenses Payable by the Fund” .
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Fees and Expenses Payable by the Investor

Type of Fee	Amount and Description
Sales Charge	Sales commissions and other fees and expenses are paid indirectly by investors through the Fund. The Fund, directly or indirectly, pays such commissions, fees and costs, as applicable, out of the proceeds from the sale of Class A – Series A shares and Class R – Series A shares. See “Plan of Distribution” and “Fees and Expenses – Fees and Expenses Payable by the Fund” .
Transfer Fee	Nil.
RRSP Fee	The Manager, on behalf of the Fund, has made arrangements with Concentra Trust, pursuant to which individual investors may establish a RRSP with Concentra Trust and have the RRSP purchase Subscriber Shares. Where the aggregate funds in a trust governing a RRSP or a RRIF are less than \$10,000 at the end of the eight year hold period for the initial subscription, a one-time administrative fee, payable at the end of the eight year hold period for the initial subscription, in the sum of \$35 plus GST (\$36.75 in total) will be charged by Concentra Trust for such transactions. These fees may be waived by the Fund. These administration fees are subject to change on 60 days’ notice without prior approval of the participants. Investors may also have their own or their spouse’s or common law partner’s self-directed RRSP purchase Subscriber Shares. See “Plan of Distribution – RRSP Purchases” and “Income Tax Considerations” .

REDEMPTION OF SECURITIES

Redemption of the Subscriber Shares is restricted both by law and due to the fact that the obligation of the Fund to redeem the Subscriber Shares is based on the profitability and retained earnings of the Fund attributable to the series of the class of Subscriber Shares for which redemption is requested. See “Risk Factors – Lack of Liquidity”.

In any Fiscal Year, the Fund will not be required to redeem Subscriber Shares if the redemption would create a working capital deficiency for the Fund, cause it to be in default of its financial obligations under an arm’s length loan agreement, if the Fund is insolvent or would be rendered insolvent as a result of the redemption, or if the total redemptions in the Fiscal Year would exceed either 20% of the Fund’s retained earnings or 50% of the Fund’s net earnings after taxes for the previous Fiscal Year.

Subject to the above restrictions, a holder of Subscriber Shares may request his or her sales agent/representative to contact the Transfer Agent to request a redemption of such holder’s Subscriber Shares, which shares may be redeemed in the following circumstances: (i) a holder of Subscriber Shares may require the Fund to redeem some or all of the holder’s Subscriber Shares if the redemption occurs more than eight years after the date of issue of the Subscriber Shares being redeemed; or (ii) Subscriber Shares may be redeemed by the Fund upon request from the holder prior to the expiry of the eight year holding period, but only if an amount equal to the Federal tax credit and Saskatchewan tax credit, if any, on such shares is withheld from the redemption proceeds and paid to the Receiver General and the Saskatchewan Minister, respectively. Under normal circumstances the sales agent/representative of a holder of Subscriber Shares requesting redemption and the Transfer Agent will affect the share redemption with the Fund during a period of forty-five days. See **“Income Tax Considerations”**. The legal representative of the original holder of

Subscriber Shares may require the Fund to redeem the holder's Subscriber Shares without withholding of the tax credit amounts if the holder has died. In addition, the Fund may, on a discretionary basis, authorize redemption of a holder's Subscriber Shares based on marital breakdown or personal financial hardship (subject to an amount equal to the Federal tax credit and Saskatchewan tax credit, if any, on such shares being withheld from the redemption proceeds and paid to the Receiver General and the Saskatchewan Minister, respectively).

Subject to the foregoing limitations, any such Subscriber Shares that the Fund has not redeemed in a particular Fiscal Year will be redeemed in the following Fiscal Year before the Fund redeems any other Subscriber Shares. For such purposes, the requests to redeem such shares will be deemed to have been received by the Fund on the first day of the following Fiscal Year in the order that they were originally received by the Fund.

Redemptions of Subscriber Shares are made at the Redemption Amount. See **"Calculation of Net Asset Value – Net Asset Value of the Fund"**.

Investors who invested into the Fund in 2012 or earlier are eligible to roll their original investment back into the Fund and receive an additional Federal tax credit of 15% to a maximum of \$750, and an additional 17.5% Saskatchewan tax credit to a maximum of \$875, if the investment is rolled back prior to the expiry of the first 60 days of 2021 and applied to the 2020 tax year. This is accomplished by having the Subscriber Shares, or a portion of the Subscriber Shares, held by an investor repurchased by the Fund and the investor using the proceeds of that repurchase to invest in new Subscriber Shares of the Fund. Where such original investment was held in an RRSP, such investors will not be entitled to claim a second RRSP deduction when rolling their original investment back into the Fund. Investors may commit to rolling-over mature shares up to 90 days in advance of the maturity date of those shares. Commitments that are received from investors in this way will be held until the date of maturity, at which point the transaction will be executed. Standard rights of rescission apply. Given that the Fund has a maximum annual offering of \$35 million for the 12-month period ending March 31, 2021, commitments received in this way will be applied against the annual maximum offering as they are received. See **"Income Tax Considerations – Tax Credits Available to First Purchaser of Subscriber Shares"**. Alternatively, an investor who invested into the Fund in 2012 or earlier may request the Fund to redeem all or some portion of such Subscriber Shares so acquired in 2012 or earlier, which redemption will not be subject to the withholding fee. See **"Description of the Securities Distributed – Subscriber Shares – Redemption by Holders"**.

INCOME TAX CONSIDERATIONS

Status of Investment Fund

The following is a summary of the principal Canadian federal income tax and Saskatchewan income tax considerations applicable to purchasers of Subscriber Shares, who are resident in Saskatchewan and who hold their shares as capital property and deal at arm's length with the Fund. Generally, Subscriber Shares will be capital property to the holder thereof unless the holder is a trader or dealer in securities or has acquired the Subscriber Shares as part of an adventure in the nature of trade. For purposes of this summary, it is assumed that the Fund is a "registered labour-sponsored venture capital corporation" as defined under the Act at all times. It is also assumed that the Fund will not qualify as an "investment corporation" under the Federal Tax Act.

This summary is based on the current provisions of the Federal Tax Act, the Act, the Saskatchewan Tax Act and the regulations under such statutes (collectively referred to herein as the **"Tax Regulations"**), counsel's understanding of the current administrative and assessing practices of the CRA and the Saskatchewan Ministry of Finance and specific proposals for amendments to such statutes and the Tax Regulations announced prior to the date hereof (the **"Proposed Amendments"**), but does not take into account or anticipate any other changes in law, whether by judicial, governmental or legislative action. There is no assurance that the Proposed Amendments will be enacted in the form proposed, if at all.

This summary is of a general nature only and is not exhaustive of all possible Federal and Saskatchewan income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. Therefore, prospective purchasers should consult their own tax advisers with respect

to their particular circumstances. This summary does not take into account foreign income tax legislation or considerations and, except for the Province of Saskatchewan, provincial or territorial income tax legislation or considerations.

Tax Credits Available to First Purchaser of Subscriber Shares

Individual Saskatchewan residents (other than trusts) intending to apply the Federal tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date will be eligible for a Federal tax credit for the 2020 taxation year equal to 15% of the individual's net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000). Individual Saskatchewan residents (other than trusts) not intending to apply the Federal tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be eligible for a Federal tax credit for the 2021 taxation year equal to 15% of the individual's net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000).

Individuals intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date will also be eligible for a Saskatchewan tax credit equal to 17.5% of the individual's net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). Individuals not intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be eligible for a Saskatchewan tax credit to their taxes payable for the 2021 calendar year equal to 17.5% of the individual's net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000).

Generally, the purchaser's cost of the Subscriber Shares is the price paid in respect of the subscription for or the acquisition of Subscriber Shares. The amount of the Federal tax credit and Saskatchewan tax credit does not reduce the net cost of the Subscriber Shares to the holder for this purpose. The amount of any assistance provided by a government, municipality or public authority in respect of the acquisition of a Subscriber Share, other than a tax credit or a deduction in respect of a contribution to a RRSP, will reduce the individual's net cost of the Subscriber Share.

An individual's "net cost" of the purchase of Subscriber Shares means the amount, if any, by which the amount of consideration paid by the individual to acquire or subscribe for the Subscriber Shares exceeds the amount of any assistance (other than an amount included in computing a tax credit of the individual, in respect of the Subscriber Shares) provided or to be provided by a government, municipality or any public authority in respect of, or for the acquisition of, the Subscriber Shares.

An individual (other than a trust) who is the annuitant under a RRSP or the spouse or common law partner of the annuitant under a spousal or common-law partner RRSP will be eligible for the Federal tax credit in respect of the purchase of Subscriber Shares by the RRSP provided the RRSP is the first purchaser of the Subscriber Shares. An individual Saskatchewan resident (other than a trust) who makes contributions to a RRSP of which the individual is the annuitant will also be eligible for the Saskatchewan tax credit provided the RRSP is the first purchaser of the Subscriber Shares and those contributions can reasonably be considered to have been used by the RRSP to acquire or subscribe for the Subscriber Shares. Unlike the Federal Tax Act, the Act does not specifically allow an individual to claim the Saskatchewan tax credit in respect of the purchase of Subscriber Shares by a RRSP of which the annuitant is the spouse or common law partner of the individual. However, it is our understanding that the Saskatchewan Finance Department has taken an administrative position of allowing an individual to claim the Saskatchewan tax credit where the purchaser of the Subscriber Shares is a RRSP of which the annuitant is the individual's spouse or common law partner provided that the individual claims the entire Saskatchewan tax credit and in no case can the tax credit claimed by the individual exceed \$875 for any taxation year. **See "Risk Factors".**

The Federal tax credit may be deducted from the individual's tax payable only in respect of the calendar year in which the Subscriber Shares are irrevocably subscribed and paid for or acquired, provided the Subscriber may irrevocably subscribe and pay for Subscriber Shares in the first 60 days of a calendar year, in which case the Federal tax credit may, at the individual's option, be deducted from the tax payable in respect of the preceding calendar year to the

maximum allowable amount of Federal tax credit for that preceding calendar year. The Federal tax credit is not refundable to the extent that it exceeds the individual's tax otherwise payable and is not transferable by the individual.

To be eligible for the Saskatchewan tax credit, the individual must file with his or her tax return the tax credit certificate issued to him or her in respect of the acquisition of Subscriber Shares. The Saskatchewan tax credit may be deducted from the individual's tax payable only in respect of the calendar year in which Subscriber Shares are acquired, provided the Subscriber may acquire the Subscriber Shares in the first 60 days of the calendar year, in which case the Saskatchewan tax credit may, at the individual's option, be deducted from the tax payable in respect of the preceding calendar year to the maximum allowable amount of Saskatchewan tax credit for that preceding calendar year. The Saskatchewan tax credit is not refundable to the extent that it exceeds the individual's tax otherwise payable and is not transferable by the individual.

Maximum annual tax credits apply in respect of all purchases of shares of prescribed and registered labour-sponsored venture capital corporations, for each taxation year, including the Fund. If, in the opinion of the Saskatchewan Minister, the number of corporations registered pursuant to the Act is sufficient to take up the maximum annual tax credits available, the Saskatchewan Minister may suspend the further registration of corporations, suspend the allowance of tax credits or allocate the tax credits amongst the registered corporations.

Investors who invested into the Fund in 2012 or earlier are eligible to roll their original investment back into the Fund and receive an additional Federal tax credit and an additional Saskatchewan tax credit if the investment is rolled back before the 2020 Cut-Off Date. This is accomplished by having the Subscriber Shares, or a portion of the Subscriber Shares, held by an investor repurchased by the Fund and the investor using the proceeds of that repurchase to invest in new Subscriber Shares of the Fund.

Eligibility for Investment and Transfer of Subscriber Shares to RRSPs, RRIFs and TFSAs

While Subscriber Shares, provided certain conditions are met, can be qualified investments for a TFSA, under the Act the Fund cannot issue Subscriber Shares to TFSAs and Subscriber Shares cannot be transferred by an individual to a TFSA. Unless and until amendments are made to the Act, Subscriber Shares may not be purchased by or transferred to TFSAs.

Pursuant to the regulations under the Federal Tax Act, Subscriber Shares will generally be qualified investments for RRSPs and RRIFs, provided that, at the time the Subscriber Shares are acquired by the RRSP or RRIF, the Fund is a registered labour-sponsored venture capital corporation under the Act and immediately after the Subscriber Shares are acquired by the RRSP or RRIF, the annuitant under the RRSP or the RRIF, as the case may be, owns or has options to acquire, or is a member of a related group which owns or has options to acquire, (directly or indirectly) less than 10% of the issued shares of any class of the Fund. In determining whether this 10% limit is exceeded, the shareholder may be deemed to own shares held by non-arm's length persons and certain other entities.

An individual who acquires Subscriber Shares may transfer the Subscriber Shares to a RRSP under which the individual or his or her spouse or common law partner is the annuitant. On the transfer of Subscriber Shares to a RRSP the holder of the Subscriber Shares will be deemed to have disposed of the Subscriber Shares and to have received proceeds of disposition equal to the fair market value of the Subscriber Shares on the date of transfer. If the fair market value of the Subscriber Shares is greater than the individual's adjusted cost base of the Subscriber Shares, the excess will be the holder's capital gain. If the fair market value of the Subscriber Shares is less than the individual's adjusted cost base of the Subscriber Shares, any resulting capital loss will be generally denied. **See "Income Tax Considerations – Federal Taxation of Shareholders – Disposition of Subscriber Shares"**. The individual may be eligible to treat an amount equal to the fair market value of the Subscriber Shares at the time of the transfer as a deductible contribution to the RRSP, subject to the contribution limits in the Federal Tax Act. The determination of the fair market value of Subscriber Shares is a factual matter. In assessing the income tax return of an individual who has made such a transfer, the CRA has the right to review the fair market value of a Subscriber Share.

Contributions to RRSPs are deductible in accordance with the provisions of the Federal Tax Act which place limits on the annual amount of deductible RRSP contributions. This deduction is in addition to the Federal tax credit. Generally,

for any year, an individual may deduct a RRSP contribution that does not exceed the amount by which the lesser of the RRSP dollar limit for the year and 18% of his or her earned income (as defined in the Federal Tax Act) for the immediately preceding year exceeds the value of his or her pension or deferred profit sharing plan benefits determined in accordance with the Federal Tax Act. For 2020, the RRSP dollar limits have been set by Canada Revenue Agency at \$27,230. For 2021, the RRSP dollar limits have been set by Canada Revenue Agency at \$27,830. Unused RRSP deduction room for 1991 and subsequent years can be carried forward to increase the amount of an individual's deductible contribution to a RRSP, subject to the detailed provisions of the Federal Tax Act in that regard. The Federal Tax Act permits an indefinite carry forward of unused RRSP deductions.

In addition, an individual who acquires the Subscriber Shares, or a RRSP under which the individual or his or her spouse or common law partner is the annuitant which acquires Subscriber Shares, may transfer the Subscriber Shares to a RRIF under which the individual or his or her spouse or common law partner is the annuitant. There is no tax deduction available for transfers of property from an individual to a RRIF. An individual who makes such a transfer of Subscriber Shares will be deemed to have disposed of the Subscriber Shares and to have received proceeds of disposition equal to the fair market value of the Subscriber Shares on the date of transfer. If the fair market value of the Subscriber Shares is greater than the individual's adjusted cost base of the Subscriber Shares, the excess will be the holder's capital gain. If the fair market value of the Subscriber Shares is less than the individual's adjusted cost base of the Subscriber Shares, any resulting capital loss will generally be denied. **See "Income Tax Considerations – Federal Taxation of Shareholders – Disposition of Subscriber Shares"**. The determination of the fair market value of the Subscriber Shares is a factual matter. In assessing the income tax return of an individual who has made such a transfer, the CRA has the right to review the fair market value of the Subscriber Shares. Where such a transfer is made by an eligible RRSP, generally no tax consequences will ensue as rules in the Federal Tax Act permit tax sheltered contributions of property to a RRIF from RRSPs.

Federal Taxation of Shareholders

Dividends

Dividends (other than capital gains dividends) paid on Subscriber Shares and received, or deemed to be received, by an individual will be included in computing the individual's income subject to the gross-up and dividend tax credit rules in the Federal Tax Act applicable to dividends from taxable Canadian corporations. Similar rules will apply for Saskatchewan tax purposes based on the Saskatchewan Tax Act. The amount of a capital gains dividend received, or deemed to be received, by an individual that holds Subscriber Shares will be deemed to be a capital gain of the holder from a disposition of capital property for the year in which the dividend is received. One-half of the amount of a capital gains dividend will be included in the holder's income as a taxable capital gain for the purposes of the Federal Tax Act and the Saskatchewan Tax Act.

If and to the extent that the Fund increases the stated capital of the Subscriber Shares, as discussed below under the heading **"Income Tax Considerations – Dividend Refunds and Capitalization of Income"**, an individual who holds Subscriber Shares will be deemed to have received a dividend equal to the amount of the stated capital increase in respect of his or her Subscriber Shares. The deemed dividend will be subject to the treatment generally applicable to dividends or capital gains dividends, as the case may be, paid on the Subscriber Shares.

A holder of a Subscriber Share will not receive any cash distribution in respect of a deemed dividend or a deemed capital gains dividend. Accordingly, an individual holder may be liable to pay tax in respect of a deemed dividend or a deemed capital gains dividend even though the holder will not have received a cash distribution from the Fund with which to pay the tax.

A holder of a Subscriber Share which is a RRSP or RRIF is exempt from tax on the amount of any dividend, deemed dividend or capital gains dividend.

Disposition of Subscriber Shares

In general, a disposition or a deemed disposition (including a redemption) of a Subscriber Share which is capital property will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such a share, net of any costs of disposition, exceed (or are less than) the adjusted cost base of such a share to the holder thereof. In calculating a holder's gain or loss, the cost to the holder of a particular Subscriber Share will be determined by averaging the cost of that Subscriber Share with the adjusted cost base of all Subscriber Shares held as capital property at that time by the holder. A holder's adjusted cost base of a Subscriber Share will be increased by the amount of any deemed dividend or deemed capital gains dividend arising as a result of the capitalization of income described under the heading **"Income Tax Considerations – Dividend Refunds and Capitalization of Income"**. The Federal tax credit and the Saskatchewan tax credit will not reduce the adjusted cost base of the Subscriber Shares.

A capital loss that would otherwise arise on the disposition of a Subscriber Share will be reduced by the amount of the Federal tax credit and the Saskatchewan tax credit received in respect of the Subscriber Share by the holder of the Subscriber Share (or by a person with whom the holder does not deal at arm's length) to the extent that the amount of such tax credits have not previously reduced a capital loss in respect of the Subscriber Share.

Any capital loss realized by a holder of a Subscriber Share on the sale or transfer of a Subscriber Share to a RRSP or RRIF under which the holder or his or her spouse or common law partner is the annuitant will be deemed to be nil.

One-half of any capital gain or capital loss will be the holder's taxable capital gain or allowable capital loss, as the case may be. Taxable capital gains must be included in computing the holder's income. Allowable capital losses in excess of taxable capital gains may generally be carried back three years and carried forward indefinitely for deduction against taxable capital gains realized in those years in accordance with and subject to the rules contained in the Federal Tax Act. Capital losses carried back will be deductible at the inclusion rate for capital gains in the year in which the loss is carried back.

Redemption of Subscriber Shares

On the redemption of a Subscriber Share, the redemption proceeds will be treated as proceeds of disposition of the share and the holder thereof will be deemed to have realized a capital gain (or capital loss) equal to the amount by which the redemption proceeds, net of any costs of disposition, exceed (or are less than) the adjusted cost base of such Subscriber Share to the holder thereof. **See "Income Tax Considerations – Federal Taxation of Shareholders – Disposition of Subscriber Shares"**. On a redemption of a Subscriber Share, the proceeds of disposition will include any amount withheld from the redemption proceeds and paid to the Receiver General or to the Saskatchewan Minister as a return of the Federal tax credit or the Saskatchewan tax credit, as the case may be.

On the redemption of a Subscriber Share prior to the expiry of the eight year holding period, the Fund shall be required to withhold from the redemption proceeds and pay to the Receiver General and Saskatchewan Minister a penalty in an amount equal to the Federal tax credit and the Saskatchewan tax credit, as the case may be, on such shares unless the Subscriber Shares that are to be redeemed were owned by a holder who has died or held by an RRSP or RRIF where the sole beneficiary of the plan or fund (as the case may be) has died.

Minimum Tax

The Federal Tax Act provides for an alternative minimum tax applicable to individuals and trusts. Individuals and certain trusts are required to compute their "adjusted taxable income" which includes certain amounts which, for general income tax purposes, would be deductible or exempt. Taxable dividends (without application of dividend gross-up) and 80% of capital gains are included in "adjusted taxable income". Individuals and certain trusts are entitled to claim an annual basic exemption of \$40,000. A minimum tax is applied to the amount by which "adjusted taxable income" exceeds the basic exemption. If the minimum tax so calculated exceeds the tax otherwise payable, the minimum tax is payable; however, it may be carried forward to offset tax payable in a future year in accordance with and subject to rules contained in the Federal Tax Act. The Saskatchewan Tax Act imposes a similar minimum tax. The

Federal tax credit and Saskatchewan tax credit may not be applied to reduce a holder's liability for alternative minimum tax.

Deduction of Interest on Borrowed Money

If an individual borrows money to buy Subscriber Shares, the interest on the loan will ordinarily be deductible for income tax purposes so long as the Subscriber Shares are owned by the individual for the purpose of earning income. If an individual contributes Subscriber Shares purchased with borrowed funds to a trust governed by a RRSP, the interest expense relating to the period following the contribution will not be deductible. If an individual sells Subscriber Shares purchased with borrowed funds to a trust governed by a RRSP or RRIF the ability to deduct the interest expense after the sale will depend on whether the proceeds of the disposition are used for the purpose of earning income.

Provincial Taxation of Shareholders

Under the Saskatchewan Tax Act, an individual who is resident in Saskatchewan on the last day of a taxation year is generally liable for basic Saskatchewan tax equal to a specific percentage of the individual's taxable income, generally as determined for purposes of the Federal Tax Act.

Federal Taxation of the Fund

The Fund is a "private corporation" and, as a registered labour-sponsored venture capital corporation under the Act, will be a "mutual fund corporation" for the purposes of the Federal Tax Act. As a corporation resident in Canada, the Fund is required to calculate its income or loss for each taxation year, file income tax returns and pay tax at normal corporate rates.

Dividends

Any dividends received by the Fund from taxable Canadian corporations will generally not be subject to tax.

Capital Gains and Losses

The Fund has elected, in accordance with the Federal Tax Act, to have each of its "Canadian securities" (as defined in the Federal Tax Act) treated as capital property. Provided the Fund is not a "trader or dealer in securities", such an election will ensure that gains or losses realized by the Fund on the sale of Canadian securities are treated as capital gains or capital losses. Whether a taxpayer is a "trader or dealer in securities" is a question of fact. There can be no assurance that the Fund will not be considered to be a "trader or dealer in securities" for this purpose.

When the Fund sells, or otherwise disposes of a capital property, the proceeds of disposition will be characterized as a capital gain to the extent that such proceeds exceed the Fund's adjusted cost base of the property and the Fund's reasonable costs of disposition. If the proceeds of disposition are less than the adjusted cost base of the property, a capital loss will result. In certain circumstances, such a capital loss which arises in respect of a share disposed of by the Fund may be reduced by the amount of any dividends, including deemed dividends, which have been received by the Fund on such a share.

One-half of any realized capital gain or capital loss will be the Fund's taxable capital gain or allowable capital loss, as the case may be. The Fund's taxable capital gains for a year, net of any allowable capital losses, will be included in computing the Fund's income for tax purposes. Allowable capital losses of the Fund may be deducted only against taxable capital gains arising in the year, or a preceding or future year (in accordance with rules contained in the Federal Tax Act). As a mutual fund corporation, the Fund will be entitled to refunds in accordance with the provisions of the Federal Tax Act of substantially all tax paid with respect to net taxable capital gains if it pays or is deemed to have paid capital gains dividends or redeems Subscriber Shares.

Interest and Other Investment Income

Interest and investment income, other than dividends in respect of shares of taxable Canadian corporations, will be included, net of reasonable expenses, in calculating the Fund's income subject to tax. The Fund will be eligible for a refund of a portion of the tax paid by it on such income (net of losses of the Fund) determined in accordance with the detailed rules in the Federal Tax Act if it pays or is deemed to have paid taxable dividends (other than capital gains dividends) to its shareholders.

Dividend Refunds and Capitalization of Income

Management of the Fund has indicated that it intends to make appropriate elections under the Federal Tax Act to enable it to capitalize, on a periodic basis, sufficient amounts of its capital gains and interest and other investment income in order to minimize taxes payable on net realized capital gains and on net investment income. In such a case, the Fund will be deemed to have paid a dividend on its then issued and outstanding Subscriber Shares equal to the amount added to the stated capital of the Subscriber Shares, and each holder of Subscriber Shares will be deemed to have received a dividend, or if the Fund so elects, a capital gains dividend, equal to the holder's proportionate share thereof even though the holder will not receive a cash distribution from the Fund. The adjusted cost base of the holder's Subscriber Shares will be increased by the amount of the deemed dividend.

In the case of a deemed capital gains dividend, one-half of such amount will be included in the holder's income as a taxable capital gain for the purposes of the Federal Tax Act. If the Fund makes the election referred to above but does not designate a deemed dividend as a capital gains dividend, the amount of the deemed dividend will be included in the holder's income as an ordinary dividend and will be subject to the gross-up and dividend tax credit rules in the Federal Tax Act. See **"Income Tax Considerations – Federal Taxation of Shareholders – Dividends"**.

A holder of a Subscriber Share will not receive any cash distribution in respect of a deemed dividend or a deemed capital gains dividend. The amount of any deemed dividend or deemed capital gains dividend resulting from an increase in the paid-up capital of the Subscriber Shares may entitle the Fund to a refund of tax otherwise paid or payable on its interest and other investment income (other than dividends in respect of shares of taxable Canadian corporations) or realized capital gains, as the case may be. See **"Income Tax Considerations – Federal Taxation of the Fund – Capital Gains and Losses"** and **"Income Tax Considerations – Federal Taxation of the Fund – Interest and Other Investment Income"**.

Provincial Taxation of the Fund

For the purposes of provincial corporate income tax, the Fund's aggregate income will be attributed to, and taxable in, those provinces in which it is earned. Notwithstanding the foregoing, none of the income of the Fund will be subject to tax in a particular province unless the Fund carries on business in such province through a permanent establishment as defined in the provincial corporate tax statute applicable to that particular province. As the Fund is mandated under the Act to invest in Eligible Investments conducting business in Saskatchewan, the Fund will not carry on business in any province other than the province of Saskatchewan and as a result all of the Fund's aggregate income will be attributed to, and be taxable in, the Province of Saskatchewan.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Management of the Fund

The Board of the Fund consists of nine (9) directors, five (5) of whom are nominated and elected by the Sponsor, and four (4) of whom are nominated and elected by the holders of the Subscriber Shares. Members are elected to a term not exceeding three (3) years on a rotating basis to ensure continuity on the Board. The Sponsor, the holder of Class B Shares, has the right to nominate and elect a simple majority of the number of directors to be elected to the Board of the Fund unless, at the time of election of directors, there are no holders of any series of Class A shares, any series of Class R shares or Class C Shares, wherein the Sponsor may then vote in respect of the election of the balance of the directors. The holders of the Subscriber Shares are entitled to elect the minority number of directors to be elected

to the Board of the Fund being four (4) directors in number. At the annual general meeting of the shareholders of the Fund held on December 13, 2019, three (3) directors' positions were open for election. The Sponsor, as the holder of the Class B Shares, resolved to re-elect Terry Schneider, whose term of office expired in December 2019, for a three (3) year term expiring in December 2022. The holders of the Subscriber Shares resolved to re-elect Kevin Strangeland and Michael Fix, each of whose terms of office expired in December 2019, for a three (3) year term expiring December 2022 and a one (1) year term expiring December 2020 respectively. Michael Fix resigned as a director, and the Board appointed Jan McLellan Folk to fill the vacancy created thereby, as of August 27, 2020. Holders of Subscriber Shares have no right to elect, remove, or replace directors elected by the Sponsor, being a majority of the directors. See **“Organization and Management Details of the Fund”** and **“Description of the Securities Distributed – Subscriber Shares – Election of Directors”**.

Directors and Officers of the Fund

The name, municipality of residence, office within the Fund and principal occupation of each of the directors and officers of the Fund are set out below, along with the committees, if any, that the director is a member of:

Directors:

Name & Municipality of Residence	Position on the Board of the Fund and Period of Service	Principal Occupation during Five (5) preceding years	Subscriber Shares owned or controlled
Ron Carlson ^{2,3} Regina, Saskatchewan	Director since September 1, 1999	Former National Representative and past Western Regional Vice-President & Administrative Vice-President of Communications, Energy & Paperworkers' Union of Canada	None
Jan McLellan Folk, ¹ Regina, Saskatchewan	Director since August 27, 2020	Former CFO, Alliance Energy	None
Kevin Stangeland ^{1,2} Rensselaer, Indiana	Director since September 28, 1999	Former Chief Executive Officer UFR Urban Forest Recyclers Inc.	None
David Meyers Saskatoon, Saskatchewan	Director since October 2011	Process Operator ERCO Worldwide	Class A – Series A 1,429.812 Class R – Series A 863.527
Terry Schneider Regina, Saskatchewan	Chair & Director since May 1, 2002	Former Process Operator Consumers Cooperative Refinery Ltd.	Class A – Series A 1,590.109
Kathy Zwick ³ Regina, Saskatchewan	Director since March 2009 Previous term from May 2002 to April 2006	Former Assistant to the President Local 649, Communications, Energy and Paperworkers' Union of Canada	Class A – Series A 1,912.877 Class R – Series A 488.147
Douglas Frondall ^{1,3} Saskatoon, Saskatchewan	Director since December 17, 2010	Partner to January 1, 2014 & thereafter Executive Advisor, Corporate Finance Virtus Group Chartered Accountants and Business Advisors LLP	Class R – Series A 2,241.968

Daryl Schwartz White City, Saskatchewan	Director since December 14, 2012	Instrument Technician Consumers Cooperative Refinery Ltd.	Class A – Series A 1,697.711 Class A – Series F 1,690.833 Class R – Series A 1,066.815 Class R – Series F 1,103.922
Brent Banda ² Saskatoon, Saskatchewan	Vice-Chair & Director since December 16, 2011	President and Senior Consultant Banda Marketing Group Inc. ⁴	Class A – Series A 349.096 Class R – Series A 335.627

- (1) Member of the Audit/Valuation Committee.
(2) Member of the Investment Committee.
(3) Member of the Governance and Nominating Committee.
(4) Banda Marketing Group Inc. assists owner-managed businesses with strategic marketing and sales management decisions.

Officers:

Name & Municipality of Residence	Office	Principal Occupation	Class A Shares and/or Class R Shares Owned or Controlled
Randy Beattie Regina, Saskatchewan	President and Chief Executive Officer	Partner PFM Capital (2010) Inc.	Class A – Series A 2,197.104 Class A – Series F 1,945.353 Class R – Series A 1,390.990 Class R – Series F 194.445
Rob Duguid Regina, Saskatchewan	Vice-President, Chief Financial Officer and Corporate Secretary	Partner PFM Capital (2010) Inc.	Class A – Series A 3,598.231 Class R – Series A 2,668.507
Chris Selness Regina, Saskatchewan	Vice-President, Investments	Contractor to PFM Venture Capital Operations Inc.	Class A – Series A 3,020.933
Mike Merth Regina, Saskatchewan	Chief Compliance Officer	Partner PFM Capital (2010) Inc.	NIL
Jeff Linner Regina, Saskatchewan	Chief Investment Officer	Partner PFM Capital (2010) Inc.	Class A – Series A 4,578.390 Class R – Series A 169.857

The directors and officers of the Fund, as a group, beneficially own, or control or direct, directly or indirectly, 34,534.254 or less than 0.16%, of the issued and outstanding shares of the Fund.

Officers of the Fund will devote such time and attention to the business and affairs of the Fund as may be required to adequately fulfill their duties and obligations to the Fund arising out of their respective positions.

The terms of office of the existing Class B shareholder directors are as follows:

Class B Shares Director	Date Appointed	Term
Ron Carlson	December 14, 2018	3-year term
Terry Schneider	December 13, 2019	3-year term
David Meyers	December 14, 2018	3-year term
Kathy Zwick	December 15, 2017	3-year term
Daryl Schwartz	December 15, 2017	3-year term

The terms of office of the directors elected by the holders of the Subscriber Shares are as follows:

Class A Shares Director	Date Appointed	Term
Kevin Stangeland	December 13, 2019	3-year term
Douglas Frondall	December 14, 2018	3-year term
Brent Banda	December 15, 2017	3-year term

Class A Shares Director	Date Appointed	Term
Jan McLellan Folk	August 27, 2020	Remainder of a 1-year term

Cease Trade Orders and Bankruptcies of Directors and Officers of the Fund

None of the directors or the officers of the Fund have been the subject of bankruptcy proceedings or a cease trade order.

Governance and Nominating Committee

The Board has established a Governance and Nominating Committee consisting of three members of the Board. The Governance and Nominating Committee reviews disclosure and compliance matters for the information and approval of the Board. This Committee meets at least twice a year.

The objective of the Governance and Nominating Committee is to maintain strong corporate governance standards for the Fund, and its duties include:

- (i) identifying and dealing with conflicts of interest at the Board level;
- (ii) identifying potential new Board members;
- (iii) evaluating performance of Board committees and Board members; and
- (iv) facilitating continuing education for Board members and orientation for new Board members.

The Fund is responsible for the fees and expenses of the Governance and Nominating Committee. See **“Organization and Management Details of the Fund – Management of the Fund – Remuneration of Directors and Officers”**.

Remuneration of Directors and Officers

No officer of the Fund currently receives any remuneration by virtue of such office.

Directors of the Fund are entitled to an annual retainer, of \$1,000 per annum, save for the Chair who is entitled to receive \$2,000 per annum. Members of the Investment Committee and Governance and Nominating Committee of the Fund are entitled to an annual retainer of \$750 per annum, save for the Chairs of each of these committees who are entitled to \$1,500 per annum. Members of the Audit/Valuation Committee of the Fund are entitled to an annual retainer of \$500 per annum, save for the Chair of this committee who is entitled to \$1,000 per annum.

In addition, directors of the Fund are entitled to receive a fee of \$300 per meeting for each Board meeting of less than 2 hours in duration and \$600 per meeting for each Board meeting longer than 2 hours, and they are entitled to receive a fee of \$600 for each stand-alone committee meeting and a fee of \$300 for each committee meeting held in conjunction with a Board meeting.

For the financial year ended August 31, 2020, a total of \$88, 378 (2019 – \$75,491) (inclusive of applicable tax) was paid by the Fund to directors. In addition, all directors are entitled to be reimbursed for expenses incurred in attending Board meetings and are provided insurance coverage under a directors’ and officers’ liability insurance policy carried by the Fund. The Fund is not aware of any claim or potential claim which is outstanding or which would require submission by the Fund to this liability insurance.

No director or officer of the Fund is indebted to the Fund. Pursuant to the Saskatchewan Regulations and the Articles of the Fund, compensation paid to the shareholders, directors and officers of the Fund must be approved by the shareholders.

The following table summarizes the compensation received by the Fund's directors during the year ended August 31, 2020. The amounts indicated include all fees received in respect of board and committee meetings that each director attended during the year.

Name	Fees earned	Expenses
Brent Banda	\$6,383.56	\$1,015.35
Ron Carlson	\$10,011.87	\$668.93
Michael Fix	\$8,881.76	Nil
Doug Frondall	\$10,276.69	\$1,832.68
David Meyers	\$1,000.00	\$1,522.50
Terry Schneider	\$6,678.44	Nil
Daryl Schwartz	\$5,348.65	Nil
Kevin Stangeland	\$10,853.88	Nil
Kathy Zwick	\$8,960.87	Nil
Jan McLellan Folk	Nil ¹	Nil

(1) Jan McLellan Folk became a director of the Fund on August 27, 2020 and earned no fees as of August 31, 2020.

Remuneration of Members of the IRC

Members of the IRC are entitled to receive a fee of \$250 per meeting for each IRC meeting of less than 2 hours in duration and \$500 per meeting for each IRC meeting more than 2 hours in duration. For the financial year ended August 31, 2020, a total of \$2,850 (2019 – \$2,050) (inclusive of applicable tax) was paid by the Fund to the members of the IRC. Members of the IRC are entitled to be reimbursed for expenses incurred in attending IRC meetings and the Fund indemnifies the members of the IRC and provides insurance against liability incurred in their role as IRC members. The Fund is not aware of any claim or potential claim which is outstanding or which would require submission by the Fund to this liability insurance. No member of the IRC is indebted to the Fund.

The following table summarizes the compensation received by the IRC members during the year ended August 31, 2020. The amounts indicated include all fees received in respect of IRC committee meetings that each director attended during the year.

Name	Fees earned	Expenses
Berny Gross	\$900.00	Nil
Doug Johnson	\$1,050.00	Nil
F. William Johnson	\$900.00	Nil

Operating Expenses

The Fund pays all of its operating expenses, certain ongoing marketing costs, audit, valuation and legal expenses, certain consultants' costs and the fees and expenses payable to the Manager. The nature of the investments made by the Fund generally requires a greater commitment to investment analysis, due diligence investigations and post-investment monitoring than investments in most publicly traded securities. In addition, the cost to determine the value of the Fund's assets for which no published market exists is greater than valuation costs for mutual funds which invest primarily in listed securities. Consequently, the operating expenses of the Fund may be higher than some mutual funds and other pooled investment vehicles.

Manager of the Fund

The Manager is a corporation incorporated under *The Business Corporations Act* (Saskatchewan), having its registered office and principal place of business at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan S4P 0R3. The Manager is registered as an investment fund manager and also as the portfolio manager of the Fund.

Duties and Services to be provided by the Manager – Management Agreement

Pursuant to the Management Agreement the Manager has been retained to manage and administer the business affairs of the Fund, including the management of the Fund's Eligible Investments and its liquid portfolio investments.

The Manager has agreed that it shall devote such time and attention as may be required to fulfill its obligations under the Management Agreement. The Management Agreement has been automatically renewed until December 13, 2021, and is renewable thereafter automatically for successive two year terms or until earlier terminated in accordance with its provisions which include: (i) the right to terminate by mutual agreement of the parties; (ii) the right of the Fund to terminate where the Manager has become bankrupt; and, (iii) the right of the Manager to terminate the Management Agreement effective as of the end of the initial term or any subsequent two-year renewal period provided that notice of such termination is properly delivered to the Fund in accordance with the Management Agreement. Further, the Management Agreement may be terminated by the Fund in the event of a default by the Manager in the due observance or performance of any of its material obligations contained in the Management Agreement where notice of such default is given to the Manager and the Manager has not remedied such default within 30 days after such notice is received. In 2009, after the expiration of the initial eight year period following the inception of the Fund, the Manager became entitled to receive IPA payments on an annual basis. In 2012 the security holders ratified an amendment to the Management Agreement to provide that in the event of termination of the Manager, the Manager shall continue to be entitled to its Base Fee and an allocation for IPA on unrealized gains to the date of termination, such IPA to be as valued by the Auditor. If disputes were to exist over the Auditor's valuation, each of the Fund and the Manager would appoint an independent business valuator and the average of the three valuations would determine the amount of the IPA to be paid to the Manager on unrealized gains as of the date of termination.

Pursuant to the Management Agreement, the duties of the Manager include the following:

- seeking out and identifying investment opportunities using any available sources, including labour organizations, contractors, developers, financial institutions, pension funds, government and crown agencies and other venture capital funds;
- undertaking operational due diligence of investment opportunities;
- developing, negotiating and presenting investment recommendations to the Board;
- ongoing monitoring of all investments;
- providing investment advice for the Fund's liquid portfolio investments, unless this function is subcontracted to a third party approved by the Board;
- providing performance reports to the Board;
- making disposition recommendations;
- managing (at the Fund's expense) compliance with the requirements of all regulators and applicable legislation;
- ensuring investors and regulators receive appropriate and timely reporting through the management (at the Fund's expense) of investor relations activities; and
- managing the accounting function (at the Fund's expense) to ensure appropriate systems and controls to manage and safeguard assets and to facilitate reporting for both accounting and tax purposes.

The Fund's Sponsor and investors may propose investment opportunities for consideration by the Fund. The acceptance of any such proposals will be subject to the Fund's regular approval process, including suitability under the Fund's investment criteria and the normal due diligence process.

Management Fees and Expenses

Pursuant to the Management Agreement, the Fund is responsible for payment of the following amounts to the Manager:

- (1) an annual management fee, calculated and payable monthly in arrears, equal to 2.5% of the aggregate Net Asset Value per Share, as at each valuation date; and
- (2) the IPA equal to 20% of the return derived from an Eligible Investment of the Fund is accrued from the date of investment in Eligible Investments and the IPA associated with an Eligible Investment will be paid annually only upon realization of the Eligible Investment. Before any IPA is paid to the Manager on the realization of an Eligible Investment or termination of the Manager, the Fund must have achieved all of the following:
 - (a) earned sufficient income to generate an average rate of return from all Eligible Investments greater than the 5-year average rate of return on a guaranteed investment certificate of the Bank of Canada plus 1% on an annualized basis. The income on Eligible Investments includes investment gains and losses (realized and unrealized) earned and incurred since the inception of the Fund, and negotiation fees, interest, royalties, distributions and earnings of any other kind;
 - (b) earned sufficient income from the particular Eligible Investment to provide a cumulative investment return, before expenses, at an average annual rate in excess of 10% since investment; and
 - (c) fully recouped an amount from the Eligible Investment, through income earned, liquidation of the investment, or otherwise, equal to all or greater than the principal invested in the particular Eligible Investment.

Provided that in the event of termination of the Manager, the Manager is entitled to an allocation for IPA on unrealized Eligible Investments to the date of termination, as valued by the Auditor. See **“Organization and Management Details of the Fund – Management of the Fund – Duties and Services to be provided by the Manager – Management Agreement”**.

During the Fiscal Year ended August 31, 2020, the Manager was paid fees, including IPA, in the amount of \$16,906,972 (2019 – \$30,239,337) (inclusive of GST) pursuant to the Management Agreement.

The Manager provides the services of portfolio manager to the Fund with the fees for such services being included within the annual fees paid to the Manager by the Fund.

Other Expenses

The Fund is responsible for all direct costs and expenses incurred in the operation of the Fund, including without limitation, fees and expenses paid to special consultants, salaries and benefits of employees of the Fund, insurance (including directors' and officers' liability insurance), legal, audit, valuation and shareholder communication costs, travel, registrar and transfer agency expenses, custodian and trustee fees, marketing and promotion expenses, accounting, taxes and governmental costs, registration and listing fees, and investor and public relations costs and expenses. These costs and expenses include all direct out-of-pocket costs and expenses incurred by the Manager in carrying out its obligations under the Management Agreement with the Fund. The Fund is also responsible for any fees and expenses paid to any third party for liquid portfolio management services, if such services are at any time not provided by the Manager. The Fund has paid the Agent a corporate finance fee of \$25,000 (plus applicable taxes) and \$25,000 for Agent's legal fees in relation to the Fund for 2020.

Reference will be made in the annual audited financial statements of the Fund to the management expense ratio, which is the ratio of all fees and other expenses paid or payable by the Fund, (including the Trailer Commission and

Additional Commission) expressed as a percentage of the average Net Asset Value per Share during the annual period to which the financial statements relate. The Fund is responsible to the Manager for fees due and payable and reimbursement of expenses up to the termination date of the Management Agreement. See **“Organization and Management Details of the Fund – Management of the Fund – Duties and Services to be provided by the Manager – Management Agreement”**.

Agent and Other Compensation

The Fund is responsible for paying the following additional amounts:

Sales Commissions: A One-time Base Commission on the sale of certain Subscriber Shares is paid each year. The Fund is responsible for directly paying the Amortized Base Commission to the Agent or Sub-Agent, as applicable. The Fund pays its Agents and Sub-Agents a commission, including a Trailer Commission for the sale of Class A – Series A shares and Class R – Series A shares. No Base Commission is paid for the sale or distribution of Class A – Series F shares or Class R – Series F shares.

The Fund pays the Agent and Sub-Agents an annual Trailer Commission which is charged to the Class A – Series A shares and Class R – Series A shares for each Fiscal Year that an investment is maintained within the Fund.

Additional Commission: As remuneration for distribution services provided by the Agent, Conexus on behalf of the Fund (until December 31, 2020) pays the Agent the Additional Commission. The distribution services provided by the Agent to the Fund include, but are not limited to, acting as principal distributor and agent for the sale of Subscriber Shares to eligible Saskatchewan investors, marketing analysis and the appointment of Sub-Agents.

Sales Incentive: The Fund may enter into cooperative advertising programs with the Agent or Sub-Agents providing for reimbursement by the Fund of expenses incurred in promoting the sale of Subscriber Shares, subject to compliance with applicable laws, based on past or anticipated sales of Subscriber Shares by the Agent and Sub-Agents. The costs for these advertising programs are allocated equally amongst to the Subscriber Shares.

The Amortized Base Commissions payable on the sale of certain Subscriber Shares by the Agent or Sub-Agents are paid directly to such Agent, or Sub-Agent, as the case may be, by the Fund.

The One-time Base Commissions and (until December 31, 2020) the Additional Commission are payable by Conexus and not by the Fund. Conexus is at arm's length to the Fund. See **“Organization and Management Details of the Fund – Management of the Fund – Administrative Services Fee”** and **“Plan of Distribution – Administrative Services Agreement”**.

On February 20, 2020, it was announced that the securities regulatory authorities in certain Canadian jurisdiction, including the Financial and Consumer Affairs Authority of Saskatchewan, adopted rules that will lead to the end of deferred sales charges on mutual funds. The rules will take effect on June 1, 2022 in all provinces and territories except Ontario, will prohibit fund organizations from paying upfront sales commissions to dealers. The Fund intends to discontinue offering the option of One-time Base Commissions on April 1, 2022.

Under the Fund's accounting policy all commissions paid by the Fund are charged to the applicable net assets as incurred. All fees and costs payable to the Agent, and other securities dealers involved in distributing the Fund's Subscriber Shares, in respect of services provided to the Fund, are expensed in full at the time they are incurred and are charged against the Net Asset Value of the applicable series of shares in accordance with IFRS.

Such fees and expenses include all management and marketing service fees and related costs payable to the Agent and other securities dealers, as outlined in this prospectus.

Administrative Services Fee

The One-time Base Commission and (until December 31, 2020) the Additional Commission payable for the sale of Class A – Series A shares and Class R – Series A shares each year are not directly paid by the Fund, but instead are paid by Conexus on behalf of the Fund. The Fund lends sufficient money to Conexus on a non-interest bearing basis, from time to time, to enable it to pay the One-time Base Commission and (until December 31, 2020) the Additional Commission payable in respect of the sale of Subscriber Shares during the year. The aggregate amounts lent by the Fund to Conexus during each calendar year will be repaid by Conexus to the Fund in eight equal payments beginning on January 10 of the year immediately following such calendar year. As remuneration for managing and attending to the payment of the Base Commission and Additional Commission, the Fund has agreed to pay Conexus the Administrative Services Fee. The repayment from Conexus to the Fund of the amounts lent to Conexus as described above is offset against the Administrative Services Fee payable by the Fund to Conexus. The Administrative Services Fee is allocated to the Subscriber Shares, as applicable, and will be paid each year for 8 consecutive years following the sale of the applicable Subscriber Shares, payable on or about January 10 of each year, with payments made on or about January 10, 2021, relative to the 2020 calendar year.

Directors and Officers of the Manager of the Fund

The name, municipality of residence, office with the Manager and principal occupation of each of the directors and officers of the Manager are set forth below:

Name & Municipality of Residence	Office	Principal Occupation	Subscriber Shares Owned or Controlled
Randy Beattie Regina, Saskatchewan	President and Chief Executive Officer	President PFM Capital (2010) Inc.	Class A – Series A 2,197.104 Class A – Series F 1,945.353 Class R – Series A 1,390.990 Class R – Series F 194.445
Rob Duguid Regina, Saskatchewan	Vice-President, Investments and Corporate Secretary	Chief Executive Officer PFM Capital (2010) Inc.	Class A – Series A 3,598.231 Class R – Series A 2,668.507
Mike Merth Regina, Saskatchewan	Chief Financial Officer and Vice- President, Compliance	Chief Financial Officer PFM Capital (2010) Inc.	NIL

The directors and the officers of the Manager, as a group, beneficially own, or control or direct, directly or indirectly 11,994.630 shares or less than 0.06% of the issued and outstanding shares of the Fund.

None of the Manager, its directors, officers or employees will enter into any arrangement whereby they receive a fee or benefit from the purchase or sale of the Fund's investment portfolio, without the consent of the Board of the Fund.

The officers and directors of the Manager collectively have extensive experience in venture capital fund management and extensive senior management experience in the areas of corporate finance, portfolio management, banking, insurance and risk management. The officers and directors collectively have direct experience in all aspects of the venture capital industry including sourcing capital, identifying investee businesses, evaluating their merits, conducting due diligence, negotiating terms and conditions of the investment and subsequent to investments being made, evaluating and realizing on the performance of the investment.

Cease Trade Orders and Bankruptcies of Directors and Officers of the Manager

None of the directors or the officers of the Manager have been the subject of bankruptcy proceedings or a cease trade order.

Principal Holders of Securities of the Manager of the Fund

TBW Holdings Inc. (formerly PFM Capital Inc.) and Blueberry & Papaya Farms Ltd. are the registered holders of all of the issued and outstanding share capital of the Manager. TBW Holdings Inc. is owned by Randy Beattie and Rob Duguid through their respective holding companies. Blueberry & Papaya Farms Ltd. is owned by Chris Selness and his spouse. See “**Organization and Management Details of the Fund – Ownership of Securities of the Fund and of the Manager – Ownership of Securities of the Manager**”.

Consulting and Placement Fees

Any placement or other fee paid by an investee in respect of an investment of the assets of the Fund shall be for the account of the Fund. Fees generated for any consulting or financial services provided by the Manager to an investee beyond the scope of services required in fulfilling its duties under the Management Agreement will be for the account of the Manager. Prior to accepting any direct assignments for services, the Manager will obtain the prior approval of the Board.

Conflicts of Interest

The Fund may be subject to various conflicts of interest due to the fact that the Manager and its directors, officers and shareholders are or will be engaged in a wide range of management, advisory and other business activities. The Manager and any of its officers’ investment decisions for the Fund will be made independently of those made for the other clients of the Manager and any of its officers. However, on occasion, the Manager may, on behalf of the Fund, make an investment in a company in which the Manager or its officers have also made an investment of a similar or different nature for one or more other clients of, or funds managed by the Manager or its officers. In such circumstances, the Manager will ensure that such transactions will be effected on an equitable basis, with no preferential treatment to be given to a client which is adverse to the interests of the Fund. It is currently a policy of the Fund not to invest or lend money to any Eligible Business in which a director, officer or employee of the Manager has a material interest, whether such interest is direct or indirect. Subsequent to an investment however, a director, officer or employee of the Manager may, as a representative of the Fund, become a director of an investee business.

The services of the Manager under the Management Agreement are not exclusive, and nothing in the Management Agreement will prevent the Manager, or any Affiliate thereof, from providing similar services to other investment funds and other clients (whether their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. An Affiliate of the Manager provides similar services to the following entities: Apex Investment Limited Partnership, Apex II Investment Fund Limited Partnership, Apex II Private Equity Fund Limited Partnership, Apex III Investment Fund Limited Partnership, Topsoil Farm Land Management Fund, L.P., and Topsoil Farm Land Management Fund II, L.P. A syndication policy governs the syndication of investments in which the Fund and an entity managed by an Affiliate of the Manager participate. That policy provides, among other things, for the apportionment of the investment amounts among the Fund and other entities managed by an Affiliate of the Manager. The syndication policy has been reviewed and approved by the IRC and may not be amended without the IRC’s approval.

The Fund is unaware of any actual or perceived conflicts that exist as between (a) the officers and directors of the Fund and the Fund itself or (b) the Fund and the Manager or any director or executive officer of the Manager (including in the Manager’s capacity as portfolio manager of the Fund).

Ownership of Securities of the Fund and of the Manager

Ownership of Securities of the Fund

As of September 30, 2020:

- (a) the directors and executive officers of the Fund, as a group, beneficially own, or control or direct, directly or indirectly, less than 1% of the Subscriber Shares;
- (b) the directors and executive officers of the Manager, as a group, beneficially own, or control or direct, directly or indirectly, less than 1% of the Subscriber Shares; and
- (c) the members of the IRC, as a group, beneficially own, or control or direct, directly or indirectly, less than 0.014% of the Subscriber Shares.

Ownership of Securities of the Manager

As of September 30, 2020:

- (a) the executive officers of the Fund, as a group, beneficially own, or control or direct, directly or indirectly, 100% of the shares of the Manager, while the directors of the Fund do not own any shares of the Manager;
- (b) the directors and executive officers of the Manager, as a group, beneficially own, or control or direct, directly or indirectly, 100% of the shares of the Manager; and
- (c) the members of the IRC, as a group, beneficially own, or control or direct, directly or indirectly, 0% of the shares of the Manager.

As at the date of this prospectus, the only issued and outstanding shares in the capital of the Manager are 200 Class A shares, 160 of which are owned, both beneficially and of record by TBW Holdings Inc. (formerly PFM Capital Inc.) and 40 of which are owned, both beneficially and of record by Blueberry & Papaya Farms Ltd. TBW Holdings Inc. is currently owned by Randy Beattie and Rob Duguid, through their respective holding companies and Blueberry & Papaya Farms Ltd. is owned by Chris Selness and his spouse.

Ownership of Securities of the Persons or Companies Providing Services to the Fund or the Manager

As of September 30, 2020:

- (a) the executive officers of the Fund, as a group, beneficially own, or control or direct, directly or indirectly, 40% of the securities of Prometa Fund Support Services Inc., while the directors of the Fund do not own any shares of any persons or companies providing services to the Fund or the Manager;
- (b) the directors and executive officers of the Manager, as a group, beneficially own, or control or direct, directly or indirectly, 40% of the securities of Prometa Fund Support Services Inc.; and
- (c) the members of the IRC, as a group, beneficially own, or control or direct, directly or indirectly, nil Class A shares of Prometa Fund Support Services Inc.

Portfolio Manager

The Manager provides the services of portfolio manager to the Fund, with the fees for such services being included within the annual fees paid to the Manager by the Fund. See **“Organization and Management Details of the Fund – Management of the Fund – Management Fees and Expenses”**.

Independent Review Committee

As required by NI 81-107 an IRC has been established for the Fund. A charter has been adopted and policies and protocols have been implemented by the Manager and the IRC in compliance with NI 81-107. The primary responsibility of the IRC is to provide for the independent review and oversight of conflicts of interest faced by the Manager in managing the Fund. The IRC will review and make recommendations with respect to all conflict of interest matters that are referred to it by the Board or the Manager. The IRC will undertake an annual review of, among other things, its charter and the Manager's written policies and procedures for dealing with conflict of interest matters.

The current members of the IRC are Berny Gross, of Regina, Saskatchewan, an entrepreneur and owner of a mechanical contracting company, who has been re-appointed for a three year term (expiring in 2022); William Johnson, Q.C., B.A., LL.B., B.C.L. (OXON), lawyer and partner of the law firm of Gerrand Rath Johnson of Regina, Saskatchewan, who has been re-appointed for a three year term expiring in 2023; and Douglas Johnson, C.A., of Regina, Saskatchewan, who has been re-appointed for a three year term expiring in 2023.

The members of the IRC in aggregate, beneficially own, or control or direct, directly or indirectly 3,081,566 or less than 0.014% of the issued and outstanding shares of the Fund.

The Fund indemnifies the members of the IRC and provides insurance against liability incurred in their role as committee members. The Fund is not aware of any claim or potential claim which is outstanding or which would require submission by the Fund to this liability insurance.

The Fund is responsible for the fees and expenses of the IRC. See **“Organization and Management Details of the Fund – Management of the Fund – Remuneration of Members of the IRC”**.

The IRC is responsible to report annually to shareholders and an annual committee report is required to be filed on SEDAR, which report will include the remuneration paid to and the scope of the activities of the IRC during the applicable reporting period. The IRC annual committee report for the Fiscal Year ended August 31, 2020, was filed on SEDAR on November 25, 2020. A copy of the report is also available on the Fund's website at www.saskworks.ca or by request, at no charge, by writing to the Fund at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan, S4P 0R3.

Auditors

The auditors of the Fund are MNP LLP, Chartered Professional Accountants, Suite 900 - 2010 11 Avenue, Regina, Saskatchewan, S4P 0J3.

Registrar and Transfer Agent

Prometa Fund Support Services Inc. acts as the registrar and transfer agent for the Fund. The shareholder records are maintained at the Transfer Agent's principal place of business at 200-155 Carlton Street, Winnipeg, Manitoba, R3C 3H8.

Trustee and Custodian

Under the Custodial Agreement Concentra Trust has agreed to act as custodian and hold the portfolio securities of the Fund in safekeeping for the Fund. The address of Concentra Trust is 333 3rd Ave N, Saskatoon, SK S7K 2M2. Pursuant to the Custodial Agreement, the Custodian may appoint one or more sub-custodians and enter into sub-custodianship agreements to provide for the safekeeping of the securities of the Fund on terms and conditions similar to the terms and conditions in the Custodial Agreement, provided that any sub-custodian appointed by the Custodian must qualify to act as sub-custodian under applicable securities laws. The Custodian appointed CIBC Mellon as a sub-custodian. The address of CIBC Mellon is Suite #900 - 1 York Street, Toronto ON M5J 0B6. See **“Plan of Distribution – Custodial Agreement”**.

Promoters

The Manager and the Sponsor may be regarded as a promoter of the Fund. Neither of these promoters receives any remuneration or other thing of value in consideration for being a promoter of the Fund. The Sponsor holds 10 Class B Shares, being all of the issued and outstanding Class B Shares of the Fund. See **“Summary of Fees and Expenses”**. The Manager receives remuneration in consideration for acting in the capacity as Manager to the Fund. See **“Organization and Management Details of the Fund – Management of the Fund”** and **“Organization and Management Details of the Fund – Management of the Fund – Management Fees and Expenses”**.

Principal Distributor

Industrial Alliance Securities Inc., referred to herein as the Agent, having its head office at 2200 McGill College Avenue, Suite 350, Montreal, QC, H3A 3P8, and its Saskatchewan office at 200 - 227 21st Street East, Saskatoon, SK S7K 0B7, is acting as an agent of the Fund, and as the principal distributor (as defined in NI 81-102), for the distribution of the Subscriber Shares during the currency of this prospectus pursuant to the Agency Agreement.

For a description of the circumstances under which the Agency Agreement may be terminated and a brief description of the essential terms of the Agency Agreement, see **“Plan of Distribution – Agency Agreement”**.

Lenders

The Fund has not entered into any agreement with any person or company to lend money, or provide a line of credit or similar lending arrangement, to the Fund.

CALCULATION OF NET ASSET VALUE

Net Asset Value of the Fund

The Net Asset Value is determined as at the last business day of each and every week by subtracting the aggregate amount of the Fund’s liabilities attributable to each series of share class from the aggregate of the value of the assets attributable to each series of share class and the value of any other assets of the Fund attributable to each share class as reasonably determined by the Board.

The Net Asset Value per Share on the applicable date:

- with respect to a series of Class A shares, is obtained by dividing the Net Asset Value on such date attributable to that applicable series of Class A shares as a result of investing the capital raised through the issuance of that series of Class A shares, after deducting a proportionate share of the stated capital of the Class B shares and all declared but unpaid dividends on that applicable series of Class A shares and a proportionate share of all declared but unpaid dividends on the Class C shares, if any, by the total number of shares of that applicable series of Class A shares outstanding on such date; and
- with respect to a series of Class R shares, is obtained by dividing the Net Asset Value on such date attributable to that applicable series of Class R shares as a result of investing the capital raised through the issuance of that series of Class R shares, after deducting a proportionate share of the stated capital of the Class B shares and all declared but unpaid dividends on that applicable series of Class R shares and a proportionate share of all declared but unpaid dividends on the Class C shares, if any, by the total number of shares of that applicable series of Class R shares outstanding on such date.

The Net Asset Value per Share as determined in the foregoing manner from time to time may differ from the prices at which shareholders may be able to sell (subject to the restrictions on transfer) Subscriber Shares to third party purchasers.

Annual and Quarterly Valuations

The Fund determines the value of its Subscriber Shares on an annual basis, as at the last business day of August in each year. In order to determine the annual value of the Subscriber Shares, the Fund engages the Auditors to review the fair value of the Fund's portfolio, in aggregate, prepared by the Manager to determine that such fair value is, in all material respects, reasonable. On a quarterly basis, the Manager prepares a valuation of the portfolio, and presents it to the Audit/Valuation Committee of the Board of the Fund for approval. On an annual basis, the Manager prepares a valuation of the portfolio, and presents it to the Audit/Valuation Committee and the Board of the Fund for approval. Unless requested by the Auditors, annual independent valuations will not be conducted in respect of each investment within the Fund's portfolio. Should an independent valuation of any of the Fund's portfolio investments be requested by the Auditors, the Fund will arrange for a qualified independent third party to conduct a valuation. Such circumstances could impact negatively on the expenses of the Fund. **See "Risk Factors".**

Valuation Policies and Procedures of the Fund

Audit/Valuation Committee

The Board has established an Audit/Valuation Committee consisting of three members of the Board. The Audit/Valuation Committee is responsible for monitoring valuation policies and procedures and for approving for adoption by the Board the valuation of the Fund portfolio. The members of the Audit/Valuation Committee are and will continue to be independent of the Manager. The Fund is responsible for the fees and expenses of the Audit/Valuation Committee. **See "Organization and Management Details of the Fund – Management of the Fund – Remuneration of Directors and Officers".**

Valuation of Assets

The value of the Fund for settlement and Net Asset Value per Share purposes is determined by the Manager on a weekly basis. Quarterly valuations are prepared by the Manager as at the last day in each fiscal quarter and are presented to the Audit/Valuation Committee of the Fund for approval. On an annual basis, such valuations are presented to the Board for approval. Pursuant to applicable securities law, the Fund is required to obtain the approval of its security holders if the Net Asset Value per Share is calculated less frequently than weekly.

Valuation of Assets for which a Published Market Exists

On Thursday of each week, the value of the Fund's assets for which there exists a published market is determined on the basis of the closing bid prices of such securities, or, if no sales of a particular security have been transacted on the date of valuation, then on the basis of that day's closing bid price or if there is no closing bid price, then on the basis of the most recent closing price. For this purpose, a published market means any market on which such securities are traded if the prices are regularly published in a newspaper or business or financial publication of general and regular paid circulation or on security dealer quote systems.

Valuation of Assets for which No Published Market Exists

The value of the Fund's assets for which no published market exists is determined as at the last business day of each fiscal quarter on the basis of policies and procedures established by the Board for determining the fair market value of such assets. Quarterly valuations of assets for which a published market does not exist will be updated weekly to take into account any material changes in the assets of the Fund since the most recent quarterly valuation. In determining the value of such assets, the Manager is guided by the following criteria:

- investments are valued at estimated fair market value (the price that would be agreed upon in an open and unrestricted market between fully informed, knowledgeable and willing parties dealing at arm's length without constraint);

- the estimated fair market value of investments is determined on the basis of expected realizable value of the investments on a going concern basis or if appropriate on the basis that they were disposed of in an orderly disposition over a reasonable period of time, as appropriate;
- investments are written down to net realizable value where appropriate;
- new investments are normally carried at cost for 12 to 18 months, unless there is a substantial arm's length transaction which establishes a different value or there is a material change from the Fund's expectations;
- if there is a substantial arm's length, bona fide, enforceable offer or transaction with respect to an investment, values used in such offer or transaction may be used in the valuation of the investment if circumstances warrant. Similarly, if there is a valuation prepared by a qualified independent party, such valuation is considered to provide valid indication of fair market value of an investment;
- if the investment is progressing satisfactorily in relation to the Fund's expectations, a reasonable multiple of sustained earnings, cash flow, sales revenue or discounted cash flow (as considered appropriate) with a cross-reference to, and an assessment of, tangible asset value may be used;
- short-term liquid debt instruments (having a term to maturity of 365 days or less) are valued at cost with accrued interest or discounts earned included in interest receivable;
- convertible securities are generally valued at the greater of their principal amount and their estimated fair market value as if they had been converted, in each case with such estimated fair market value being determined on the basis described above; and
- in the unusual event that the valuation policies and procedures described above are not appropriate to a particular investee business circumstance, then the Board may approve recommendations from the Manager regarding the use of appropriate valuation techniques for that investment.

The Fund has not and does not plan to deviate from the above-noted valuation criteria.

Investments in debt instruments ("loans") are carried at fair value. For productive loans an estimate of fair value is determined using a discounted cash flow methodology with fluctuations in the fair value recorded as unrealized appreciation or depreciation that is amortized to income over the remaining term of the loan.

A loan is considered impaired if, because of deterioration in credit quality, there is no longer reasonable assurance of the timely collection of the full amount of outstanding principal and interest. A loan on which payments are in arrears for 90 days or more is usually classified as income impaired. Recognition of interest income ceases on income impaired loans until interest is received. On principal impaired loans a write-down or other provision is established, through unrealized depreciation, to reduce their carrying value to the estimated fair value of the underlying security. Recognition of interest income ceases on principal impaired loans with all cash received applied first to principal, until fully recovered, and then as income.

The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties, and the resulting values may differ from values that would have been used had a ready market existed for the investments.

Reporting of Net Asset Value

The Net Asset Value per Share is disclosed on the Fund's website (<http://www.saskworks.ca>) and can also be obtained by calling the Fund at 1-306-791-4833. The Net Asset Value per Share is updated on the website and over the phone at the commencement of the next business day following each Weekly Valuation Update.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Offering

The Class A – Series A, Class R – Series A, Class A – Series F and Class R – Series F shares are offered at the Net Asset Value per Share attributable to such shares as at the close of business on the last business day of each week in which the subscription is received by the Fund. **See “Calculation of Net Asset Value – Net Asset Value of the Fund”.** Subscriber Shares may only be issued to an individual who is a resident in Saskatchewan on the last day of the taxation year for which he or she applies for a tax credit, or to such individual’s or to his or her spouse’s or common law partner’s RRSP. For an individual purchasing Subscriber Shares during the taxation year in respect of which he or she intends to apply for the tax credits applicable to such purchase, the onus rests with the individual to ensure that he or she is still resident in Saskatchewan (for purposes of payment of provincial income tax) on December 31st of that year. If this is not the case, such individual will not be eligible for the applicable Saskatchewan tax credit in respect of the purchase of the Subscriber Shares. For individuals intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year and who purchase Subscriber Shares on or before the 2020 Cut-Off Date, the individual is eligible for a Saskatchewan tax credit equal to 17.5% of the investor’s net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). For individuals not intending to apply the Saskatchewan tax credit to their taxes payable for the 2020 calendar year, and who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, the individual is eligible for a Saskatchewan tax credit to their taxes payable for the 2021 calendar year equal to 17.5 % of the individual’s net cost of the purchase of Subscriber Shares to a maximum of \$875 (which is reached on an investment of \$5,000). In addition, individual Saskatchewan residents (other than trusts) who purchase Subscriber Shares on or after January 1, 2021 but prior to the 2020 Cut-Off Date, will be eligible for a Federal tax credit for the 2020 taxation year equal to 15% of the individual’s net cost of the purchase of the Subscriber Shares to a maximum of \$750 (which is reached on an investment of \$5,000). **See “Income Tax Considerations”.**

The Fund may suspend offering Subscriber Shares and recommence offering Subscriber Shares at any time that the Fund, in its discretion, deems appropriate. The minimum initial subscription for Subscriber Shares is \$500 with a minimum subsequent subscription of \$100, subject to waiver by the Fund to accommodate preauthorized contribution plans and payroll deduction plans. The maximum dollar amount of Subscriber Shares that can be issued in each of the 12-month periods ending March 31, 2021 and March 31, 2022 is \$35 million. The maximum dollar amount of Class R Shares that can be issued in the 12-month period ending March 31, 2021 is \$5 million. The maximum dollar amount of Class A Shares that can be issued in the 12-month period ending March 31, 2021 is \$35 million or, if any Class R Shares have been issued during that 12-month period, an amount equal to \$35 million less the dollar amount of such Class R Shares issued as of that time. Subject to the maximum limits on the number of Class A Shares and Class R Shares that may be issued in the 12-month period ending March 31, 2021, investors may invest all of their subscription in any one series of Subscriber Shares or in a combination of any series of the Subscriber Shares. Subscriptions will be received subject to rejection or allotment in whole or in part in the discretion of the Fund. The Subscriber Shares are offered for sale only through registered dealers or other persons licensed to sell Subscriber Shares of the Fund. **See “Plan of Distribution”.**

The Fund will initially hold the proceeds in cash or in Other Permitted Investments prior to being invested in Eligible Businesses. As at August 31, 2020, unrealized appreciation (depreciation) on Eligible Investments accounted for \$51,971,763 of the carrying value of existing investments, or 14.16% of the Fund’s total equity attributable to the capital raised through the issuance of Class A Shares and \$(8,912,865) of the carrying value of existing investments, or 14.48% reduction of the Fund’s total equity attributable to the capital raised through the issuance of Class R Shares. **See “Sectors and Investments”.**

Each separate class of shares of the Fund will have its own Eligible Investments that will be made using only the subscription proceeds raised through the issuance of that class of shares. In the event that a class of Subscriber Shares is issued in more than one series, the portfolio will be allocated between the various series of that class of Subscriber Share based on the contributed capital of each separate series. While it is possible that each separate class of shares of the Fund may invest in the same Eligible Investment, subject to the class of share’s investment concentration limits, the investment made by each class of shares of the Fund is recorded and held only within that class of shares. Any income or losses that are attributable to a particular investment are allocated only to the separate class of shares, and

proportionately to any series within that class, within which the investment is recorded. Costs and expenses of the Fund not specifically identifiable to a particular series of Subscriber Shares will be allocated, at the time the costs and expenses are incurred, on the basis of the relative share capital as a proportion of the total share capital of each series of Subscriber Shares as at the latest available Weekly Valuation Update.

The investment activity of each series of class of shares will have a separate accounting such that the net assets attributable to each series of class of shares will be reflected in the financial statements.

Share Capital

The authorized capital of the Fund consists of an unlimited number of Class A – Series A shares and Class A – Series F shares of which 17,857,920.538 Class A – Series A shares and 443,201.480 Class A – Series F shares were issued and outstanding as at September 30, 2020; an unlimited number of Class R – Series A shares and Class R – Series F shares of which 4,238,252.822 Class R – Series A shares and 12,948.716 Class R – Series F shares were issued and outstanding as at September 30, 2020; 10 Class B Shares which are held by the Sponsor; and an unlimited number of Class C shares, issuable in series, none of which are issued and outstanding. The Fund will not invest more than 10% of the Net Asset Value of the Fund attributable to capital raised through the issuance of the Subscriber Shares, in any one Eligible Business, and may not invest in an Eligible Business if the Fund and the Eligible Business are not at arm's length within the meaning of the Act.

Class R – Series A shares and Class R – Series F shares, within the Fund, in all material respects, have the same rights, redemption features, tax credit eligibility and attributes as the corresponding series of Class A shares except for the following:

- the net proceeds of the issuance of the series of Class R shares (minus the Liquidity Reserve) will be invested in Eligible Businesses in the energy, mining and related service sectors, rather than a broad cross-section of the economy as is the case with the net proceeds of the issuance of the series of Class A shares (minus the Liquidity Reserve); and
- a separate Net Asset Value is calculated for each of the series of Class A shares and the series of Class R shares. The holders of a series of Class A shares has recourse only to the Net Asset Value attributable to the capital raised through the issuance of that particular series of Class A shares and the holders of a series of Class R shares has recourse only to the Net Asset Value attributable to that particular series of Class R shares.

Subscriber Shares

The following is a summary of the material provisions attaching to each series of class of shares of the Fund.

Issue

The Subscriber Shares may be issued only to individuals residing in Saskatchewan and RRSPs who, at the time of subscribing for Subscriber Shares, meet all conditions of the Act. The Fund will not issue share certificates representing the Subscriber Shares unless requested by a holder of such shares. See **“Income Tax Considerations”**.

Subscriptions

The minimum initial subscription amount is \$500 and the minimum subsequent subscription amount is \$100. Subject to the maximum limits on the number of Class A Shares and Class R Shares that may be issued in the 12-month period ending March 31, 2021, investors may invest all of their subscription in any one series of Subscriber Shares or in a combination of any series of the Subscriber Shares. The Fund may waive minimum initial and subsequent subscription amounts to accommodate pre-authorized contribution plans and payroll deduction plans. Subscriber Shares are offered on a continuous basis at an offering price equal to their respective Net Asset Value per Share. See **“Calculation of Net Asset Value – Net Asset Value of the Fund”**.

Transfer

An individual holder of Subscriber Shares who received a Federal or Saskatchewan tax credit in connection with the purchase of Subscriber Shares may transfer Subscriber Shares to a RRSP or RRIF under which the individual or his or her spouse or common law partner is the sole annuitant. Subscriber Shares may also be transferred to other eligible investors or otherwise as may be permitted under the Act and other applicable securities law. All other transfers of Subscriber Shares must receive the prior approval of the Board.

Redemption by Holders

Redemption of the Subscriber Shares is restricted both by law and due to the fact that the obligation of the Fund to redeem the Subscriber Shares is based on the profitability and retained earnings of the Fund attributable to the class of Subscriber Shares for which redemption is requested. See “Risk Factors – Lack of Liquidity”.

In any Fiscal Year, the Fund will not be required to redeem Subscriber Shares if the redemption would create a working capital deficiency for the Fund, or cause it to be in default of its financial obligations under an arm’s length loan agreement, if the Fund is insolvent or would be rendered insolvent as a result of the redemption, or if the total redemptions in the Fiscal Year would exceed either 20% of the Fund’s retained earnings or 50% of the Fund’s net earnings after taxes for the previous Fiscal Year.

Subject to the above restrictions, Subscriber Shares may be redeemed in the following circumstances. A holder of Subscriber Shares may request the Fund to redeem some or all of the holder’s Subscriber Shares if the redemption occurs more than eight years after the date of issue of the Subscriber Shares being redeemed. Subscriber Shares may also be redeemed by the Fund upon request from the holder prior to the expiry of the eight year holding period, but only if an amount equal to the Federal tax credit and Saskatchewan tax credit, if any, on such shares is withheld from the redemption proceeds and paid to the Receiver General and the Saskatchewan Minister, respectively. **See “Income Tax Considerations”**. The legal representative of the original holder of Subscriber Shares may require the Fund to redeem the holder’s Subscriber Shares without withholding of the tax credit amounts if the holder has died.

Subject to the foregoing limitations, any such Subscriber Shares that the Fund has not redeemed in a particular Fiscal Year will be redeemed in the following Fiscal Year before the Fund redeems any other Subscriber Shares. For such purposes, the requests to redeem such shares will be deemed to have been received by the Fund on the first day of the following Fiscal Year in the order that they were originally received by the Fund.

Redemptions of Subscriber Shares are made at the Redemption Amount. **See “Calculation of Net Asset Value – Net Asset Value of the Fund”**. For more information see **“Redemption of Securities”**.

Dividends

Holders of Subscriber Shares are entitled to receive non-cumulative dividends at the discretion of the Board.

Voting Rights

Holders of Subscriber Shares are entitled to receive notice of and attend all meetings of shareholders of the Fund and, except for meetings at which only holders of a different class or series of shares of the Fund are entitled to vote separately as a class or series, are entitled to vote at any such meeting. Each Subscriber Share entitles the holder thereof to one vote.

Election of Directors

The maximum number of directors currently permitted by the Articles of the Fund is nine (9). The current Board is comprised of nine (9) directors. The Sponsor, as a holder of Class B Shares, is entitled to nominate and elect a simple

majority of the number of directors to be elected to the Board of the Fund unless, at the time of election of directors, there are no holders of Subscriber Shares or Class C Shares wherein the Sponsor may then vote in respect of the election of the balance of the directors. The holders of Subscriber Shares are entitled to elect all of those directors who are not elected by the Sponsor, as the holder of the Class B Shares. Holders of Subscriber Shares have no right to elect, remove, or replace directors elected by the Sponsor, being a majority of the directors. **See “Description of the Securities Distributed – Class B Shares”.**

Fractional Shares

A holder of a fractional Subscriber Share is entitled to exercise voting rights and to receive dividends in respect of such fractional Subscriber Share to the extent of such fraction.

Dissolution

On Dissolution, subject to the rights of the holders of Class C Shares, if any, and after the return of an amount equal to the stated capital of the Class B Shares to the holder of the outstanding Class B Shares, the holders of Class A – Series A shares, Class A – Series F shares, Class R – Series A shares, and Class R – Series F shares shall be entitled to share equally, share for share, in the liquidation of all of the assets of the Fund remaining after payment of all liabilities of the Fund to the extent of the Net Asset Value attributable to that particular series of share class held by the holder(s) as at the time of the Dissolution.

Class B Shares

The Class B Shares may be issued only to a labour association within the meaning of the Act. Only 10 Class B Shares are authorized for issuance and all such shares have been issued to the Sponsor.

Dividends

The holder of the Class B Shares is not entitled to receive dividends.

Transfer

The Class B Shares may only be transferred with the prior approval of the Board and then only as may be authorized under the Act and all other applicable laws. The Class B Shares may only be transferred to another eligible sponsor.

Voting Rights

The holder of the Class B Shares is entitled to receive notice of and attend all meetings of shareholders of the Fund and, except for meetings at which only holders of a different class or series are entitled to vote separately as a class or series, is entitled to vote at any such meeting. Each Class B Share entitles the holder thereof to one vote.

Election of Directors

The holder of the Class B Shares is entitled to nominate and elect a simple majority of the number of directors to be elected to the Board of the Fund and shall not be entitled to vote in respect of the election of the balance of the directors unless, at the time of election of directors, there are no holders of Subscriber Shares or Class C Shares wherein the Sponsor may then vote in respect of the election of the balance of the directors. The maximum number of directors currently permitted by the Articles of the Fund is nine (9).

Redemption

The Class B Shares are redeemable by the Fund at any time at a redemption price equal to the subscription price paid for such shares.

Dissolution

In the event of a Dissolution, the holder of Class B Shares is entitled to receive an amount equal to the stated capital of the Class B Shares before any assets are distributed to holders of Subscriber Shares and Class C Shares, but after payment of all liabilities of the Fund, and after payment of declared or accumulated but unpaid dividends on any of the Subscriber Shares or the Class C Shares.

Class C Shares

The Class C Shares are issuable in series, with the rights, privileges, restrictions and conditions attaching to each series to be determined by the Board, as approved by the Saskatchewan Minister, at the time of creation of the particular series. Effective March 16, 2005, the Fund created a first series of Class C Shares, designated Class C-Series I Shares, none of which are issued and outstanding as at the date of this prospectus.

SHAREHOLDER MATTERS

Meetings of Shareholders

The chairman of the Board, the Chief Executive Officer of the Fund, or the Board may at any time call and at any place in Saskatchewan convene an annual or a special meeting of shareholders. The Board shall call an annual meeting of the shareholders each year, not later than 15 months after the preceding annual meeting. A special meeting of shareholders must be convened if requisitioned by holders of at least 5% of the issued and outstanding shares of the Fund that carry the right to vote at the meeting sought to be held. Not less than 21 days and not more than 50 days' notice will be given for any meeting of the Fund's shareholders. A quorum for any shareholder meeting is constituted if shareholders holding at least 1% of the total number of issued and outstanding shares of the Fund that are entitled to vote at such a meeting are present, either in person or represented by proxy. Voting at a shareholders meeting is generally conducted by a show of hands of shareholders present at the meeting and entitled to vote thereat unless a ballot is demanded by any shareholder or proxyholder entitled to vote at the meeting. Every shareholder present in person at a shareholders meeting shall have one vote per share based on a show of hands. Every shareholder present in person or by proxy shall have one vote for every share registered in his name.

Matters Requiring Shareholder Approval

Certain changes affecting the Fund can only be implemented with the approval of its shareholders. A meeting of the shareholders or, where required by law, a meeting of each class or series of shareholders of the Fund, will be held to consider and approve any of the following matters which the Fund may propose to change in the future:

- subject to certain exemptions applicable to mutual funds, any increase in the calculation of a fee or expense that is charged to the Fund or directly to the holders of the shares by the Fund or the Manager in connection with the holding of shares;
- a fee or expense, to be charged to the Fund or directly to the holders of shares of the Fund or to the Manager in connection with the holding of shares of the Fund, that could result in an increase in charges to the Fund or to the holders of shares of the Fund, if introduced;
- change of the Manager of the Fund (other than to an Affiliate of the Manager);
- any change in the investment objectives of the Fund;

- any decrease in the frequency of calculating the Net Asset Value per Share;
- certain types of reorganizations as prescribed under rules applicable to mutual funds;
- subject to certain exemptions available under rules applicable to mutual funds which allow for notice in lieu of seeking approval, the use by the Fund of permitted derivatives; or
- any other matter which is required by the constating documents or by applicable laws to be approved by the shareholders of the Fund.

Unless a greater majority is required by applicable laws, such as for amendments to the Articles, resolutions must be approved by the majority of the votes cast at a shareholders meeting.

Reporting to Shareholders

Shareholders are entitled to receive a tax credit certificate under the Act in the prescribed form, an annual report to shareholders from the IRC and an annual statement showing the number and current value of their Subscriber Shares. Effective January 1, 2008, Prometa Fund Support Services Inc. became the transfer agent of the Fund. Under the terms of the Services Agreement the Transfer Agent provides certain services to the Fund, including services relating to sending annual reports to shareholders.

An annual report and management report of fund performance together with audited comparative annual financial statements of the Fund together with the Auditor's Report will be sent to all shareholders, within 90 days of the end of each Fiscal Year of the Fund, for each Fiscal Year during the currency of the Fund. In addition, as required under NI 81-106 an unaudited semi-annual financial statement of the Fund and an interim management report of fund performance will be sent to all shareholders within 60 days of the end of the second quarter of each Fiscal Year. The financial statements will be reported in accordance with IFRS and reflect the Net Asset Value per Share at the date of the statements. These documents and other disclosure relating to the Fund can be accessed from the SEDAR website at <http://www.sedar.com> or the Fund's website at www.saskworks.ca.

TERMINATION OF THE FUND

Under the Act, a labour-sponsored fund can only apply to a minister of the Crown for approval to dissolve or wind up the labour-sponsored venture capital corporation after eight years from the last date of issuance of shares within the Fund. Once ministerial approval is obtained, an application to the court is required to obtain a court order for approval of a plan of arrangement for Dissolution.

In the event of a Dissolution:

- (a) the liabilities of the Fund and all declared or accumulated but unpaid dividends on all classes of shares of the Fund will be paid;
- (b) the holder of the Class B Shares is entitled to receive an amount of money equal to the stated capital of the Class B Shares before any assets are distributed to holders of any other class of shares of the Fund;
- (c) the holders of any series of the Class A Shares are entitled to receive an amount of money equal to the Net Asset Value attributable to the capital raised through the issuance of such series of Class A Shares as a result of investing the proceeds of the issuance of a series of Class A Shares in investee businesses;
- (d) the holders of any series of the Class R shares are entitled to receive an amount of money equal to the Net Asset Value attributable to the capital raised through the issuance of such series of Class R shares as a result of investing the proceeds of the issuance of a series of Class R shares in investee businesses; and

- (e) if there are any issued Class C Shares, the holders thereof are entitled to receive an amount of money equal to the Net Asset Value attributable to the capital raised through the issuance of Class C Shares as a result of investing the proceeds of the issuance of Class C Shares in investee businesses.

PLAN OF DISTRIBUTION

The Subscriber Shares will be distributed on a best efforts basis primarily through the Agent. The investor may contact the Agent for a list of Sub-Agents who are also authorized to sell Subscriber Shares to residents in the Province of Saskatchewan. The minimum initial subscription for Subscriber Shares is \$500, and the minimum for subsequent subscriptions is \$100. The Fund may waive minimum initial and subsequent subscription amounts to accommodate pre-authorized contribution plans and payroll deduction plans. The minimum initial and subsequent subscription amounts may be changed from time to time by the Board. Subscriber Shares are being offered to individuals and RRSPs. The maximum dollar amount of Subscriber Shares that can be issued in each of the 12-month periods ending March 31, 2021 and March 31, 2022 is \$35 million. The maximum dollar amount of Class R Shares that can be issued in the 12-month period ending March 31, 2021 is \$5 million. The maximum dollar amount of Class A Shares that can be issued in the 12-month period ending March 31, 2021 is \$35 million or, if any Class R Shares have been issued during that 12-month period, an amount equal to \$35 million less the dollar amount of such Class R Shares issued as of that time.

The Class A – Series A, Class A – Series F, Class R – Series A, and Class R – Series F shares are offered to investors at prices equal to their respective Net Asset Value per Share. All Subscriber Shares will be offered on a continuous basis at their respective Net Asset Value per Share, which is determined on a weekly basis. Accordingly, the price at which Subscriber Shares may be purchased can vary from purchaser to purchaser and during the period of distribution. Subject to the maximum limits on the number of Class A Shares and Class R Shares that may be issued in the 12-month period ending March 31, 2021, investors may invest all of their subscriptions in any series of Class A shares or series of Class R shares or a combination of any series of the Subscriber Shares.

Agency Agreement

The Fund and the Agent have entered into an Agency Agreement, pursuant to which it agreed to act as agent and principal distributor of the Fund in respect of sales of Subscriber Shares. The minimum initial subscription for Subscriber Shares is \$500, and the minimum for subsequent subscriptions is \$100. The Fund may waive minimum initial and subsequent subscription amounts to accommodate pre-authorized contribution plans and payroll deduction plans. Subscriber Shares are being offered to individuals and RRSPs. The minimum initial and subsequent subscription amounts may be changed from time to time by the Board. The services to be provided by the Agent to the Fund will include, but shall not be limited to, acting as principal distributor and agent for the sale of Subscriber Shares to eligible Saskatchewan investors, marketing analysis and the appointment of Sub-Agents.

Pursuant to the Agency Agreement, the Agent is authorized to engage Sub-Agents. The Fund will pay the Agent a corporate finance fee of \$25,000 (plus any applicable taxes) and \$25,000 plus disbursements and applicable taxes for legal fees for 2020/2021. In addition to the Base Commission and Additional Commission for the sale of Class A – Series A and Class R – Series A shares, the Fund also pays the Agent and Sub-Agents selling Class A – Series A and Class R – Series A shares an annual Trailer Commission for each Fiscal Year that an investment, directly attributable to a sale by the Agent or Sub-Agents, is maintained within the Fund.

The Agency Agreement contains termination provisions that:

- (a) allow the Agent to terminate the Agency Agreement within twenty-one (21) days should specific events arise that cannot, in specific identified circumstances, be rectified by the Fund;
- (b) allow the Agent to terminate the Agency Agreement immediately, if specific other events affect the Fund;
and

- (c) allow the Agent or the Fund to terminate the Agency Agreement within one hundred and twenty (120) days upon written notice to the other party.

Effective as of November 6, 2017, the Fund and the Agent amended the Agency Agreement to provide for two types of Base Commission, namely a One-time Base Commission or an Amortized Base Commission payable with respect to the sale of certain Subscriber Shares by the Agent or Sub-Agents. This change was made in consultation with various Sub-agents who had expressed a desire that they receive their Base Commission on an amortized basis over a period of 8 years. Investors will elect, in consultation with their Agent or Sub-Agent, as applicable, which type of Base Commission should be paid to the Agent or Sub-Agent in respect of a sale of certain Subscriber Shares to that Investor.

Administrative Services Agreement

The One-time Base Commissions and the Additional Commission for the sale of Class A – Series A and Class R – Series A shares has historically been paid by Conexus and not the Fund. From and after November 6, 2017, an alternative method of paying the Base Commission was implemented with the Fund responsible for directly paying the Amortized Base Commission to the Agent or Sub-Agent, as applicable, on the sale of certain Subscriber Shares each year. The Base Commission is payable only with respect to Class A – Series A shares and Class R – Series A shares. The Additional Commission of 1% will be payable to the Agent on the sale of all Subscriber Shares, however no Base Commission will be payable to Agent or Sub-Agents for the sale of Class A – Series F shares and Class R – Series F shares. Pursuant to the Administrative Services Agreements the Fund is contingently liable for the Base Commission and Additional Commission. Conexus is at arm's length from the Fund. The Fund intends to lend sufficient money to Conexus on a non-interest bearing basis, from time to time, to enable it to pay the Base Commission and (until December 31, 2020) Additional Commission. The aggregate loans made by the Fund to Conexus during each calendar year will be repaid by Conexus to the Fund in eight equal annual payments beginning on January 10 of the year immediately following such calendar year. As remuneration for managing and attending to the payment of the Base Commission and (until December 31, 2020) Additional Commission, the Fund has agreed to pay Conexus an amount equal to 0.875% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where the One-time Base Commission is applicable and payable by Conexus on behalf of the Fund), 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series A shares and Class R – Series A shares (where the Amortized Base Commission is applicable and payable directly by the Fund) and an amount equal to 0.125% of the gross proceeds raised in any calendar year on the sale of Class A – Series F shares and Class R – Series F shares as an administrative services fee.

The Administrative Services Fee will be paid each year for eight consecutive years following the sale of the applicable Subscriber Shares, payable on or about January 10 of each year, with payments made on or about January 10, 2021, relative to the 2020 calendar year.

Pursuant to the Administrative Services Agreements, the One-time Base Commissions and (until December 31, 2020) the Additional Commission are paid by Conexus relative to the calendar years 2005 to and including 2020. The Fund and Agent have, effective as of November 6, 2017, amended the Administrative Services Agreement for the 2017 and subsequent calendar years to provide for the Amortized Base Commission to be paid for directly by the Fund.

Pursuant to the 2021 Administrative Services Agreement, the One-time Base Commission and Additional Commission will be paid in 2021 by Conexus, relative to the 2020 calendar year. The Fund will directly pay any Amortized Base Commission. The loan by the Fund to Conexus and the repayment by Conexus over an eight year period with the Administrative Services Fee payable by the Fund to Conexus will occur in 2021 in the same fashion and under the same and like terms as occurred in each of the previous years during the term of the Administrative Services Agreement.

The Fund continues to be satisfied that in addition to the aggregate loan proceeds made available to, and the Administrative Services Fee payable to Conexus by the Fund, Conexus will have sufficient capital available to it to meet ongoing administrative and other costs.

Custodial Agreement

Pursuant to the Custodial Agreement Concentra Trust has agreed to act as custodian and hold the portfolio securities of the Fund in safekeeping for the Fund. The Custodial Agreement was made effective on April 15th, 2017 and remains in effect until terminated under its terms, including for a material breach by either party and for convenience by a party providing a 60-day notice of termination to the other party.

Pursuant to the Custodial Agreement, the Custodian may appoint one or more sub-custodians, provided that any sub-custodian appointed by the Custodian must qualify to act as sub-custodian under applicable securities laws. The Custodian appointed CIBC Mellon as a sub-custodian. The Fund is not privy to the sub-custodian agreement between the Custodian and the Sub-custodian; however, while the Custodial Agreement provides that the Custodian may enter into sub-custodianship agreements to provide for the safekeeping of the securities of the Fund, such sub-custodianship agreements must be on terms and conditions similar to the terms and conditions in the Custodial Agreement.

Pre-Authorized Chequing Plan

The Fund has established a pre-authorized chequing plan to assist investors in making an investment in Subscriber Shares. No administrative fees are payable for participation in the pre-authorized chequing plan. Participants in the plan are not required to commit to any specific number of purchases and may, at their option, make purchases monthly or quarterly. A participant in the plan may change the dollar amount or frequency of purchases or may terminate participation in the plan at any time without penalty, on written notice to the Fund.

RRSP Purchases

Pursuant to the RRSP Agency Trust Agreement, individual investors may establish a self-directed RRSP with Concentra Trust and have the RRSP purchase Subscriber Shares. Certain administrative services relating to the RRSPs established for investors will be provided by the Transfer Agent, pursuant to the Services Agreement referred to under **“Shareholder Matters – Reporting to Shareholder”**. Where the aggregate funds in a trust governing a RRSP are less than \$10,000 at the end of the eight year hold period for the initial subscription, a one-time administrative fee, payable at the end of the eight year hold period for the initial subscription, in the sum of \$35 plus GST (\$36.75 in total) will be charged by Concentra Trust for such transactions. These fees may be waived by the Fund. These administration fees are subject to change on 60 days’ notice without prior approval of the participants. Investors may also have their own or their spouses’ or common law partners’ self-directed RRSP purchase Subscriber Shares. See **“Income Tax Considerations”**.

Suspension and Commencement of the Offering

Although the Fund expects to continuously offer Subscriber Shares, at prices equal to the Net Asset Value per Share, the Fund may, from time to time, in its sole discretion, suspend and recommence this Offering at any time the Fund may deem appropriate. Specifically, the Fund may suspend this Offering at any time when the Fund has more funds than it can invest in Eligible Investments within a reasonable period of time, and will recommence the Offering at such time as sufficient investment opportunities are available.

OPTIONS TO PURCHASE SECURITIES

As at the date of this prospectus, no options to purchase any of the securities of the Fund are currently issued.

PRINCIPAL HOLDERS OF SECURITIES OF THE FUND

As at the date of this prospectus, the Sponsor is the registered holder of 10 Class B Shares (being all of the issued and outstanding Class B Shares). No person or company beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the issued and outstanding Subscriber Shares.

The directors and senior officers of the Fund, as a group, and the directors and senior officers of the Manager, as a group, beneficially own, directly or indirectly, less than 1% of all of the issued and outstanding Subscriber Shares.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Pursuant to the Management Agreement the Manager has been retained as manager of the Fund and will receive certain management fees and other compensation. As at the date of this prospectus, the only issued and outstanding shares in the capital of the Manager are 200 Class A shares, 160 of which are owned, both beneficially and of record by TBW Holdings Inc. (formerly PFM Capital Inc.) and 40 of which are owned, both beneficially and of record by Blueberry & Papaya Farms Ltd. TBW Holdings Inc. is currently owned by Randy Beattie and Rob Duguid, through their respective holdings companies, and Blueberry & Papaya Farms Ltd. is owned by Chris Selness and his spouse. See **“Organization and Management Details of the Fund – Management of the Fund – Manager of the Fund”**.

Prometa Fund Support Services Inc. has been retained as the registrar and transfer agent for the Subscriber Shares. See **“Organization and Management Details of the Fund – Registrar and Transfer Agent”** and **“Shareholder Matters”**. As at the date of this prospectus, TBW Holdings Inc. (formerly PFM Capital Inc.), through its wholly-owned subsidiary, PFM Holdings Inc., holds 40% of the issued and outstanding shares of Prometa Fund Support Services Inc. The appointment of Prometa Fund Support Services Inc. as registrar and transfer agent of the Fund was reviewed by the IRC (see **“Organization and Management Details of the Fund – Independent Review Committee”**), who determined that the appointment of Prometa Fund Support Services Inc. did not pose a conflict.

PROXY VOTING DISCLOSURE

The Fund has established a policy with respect to the voting of proxies held for securities of portfolio companies. Generally speaking the objective of the policy is for the Fund’s securities to be voted in such a manner that will support proposals and board nominees that maximize the value of the respective Fund’s investments over the long-term period. The oversight of proxy voting has been delegated to the Manager who will evaluate each proposal and slate of directors on their merits. Most of the Fund’s investments in portfolio companies are private and governed by shareholders’ agreements. For private companies, many of the key decisions that are taken by public companies through the proxy process are governed by these shareholders’ agreements.

The Fund has provided the general guidance of proxy use to the Manager with respect to board composition, auditor independence, and compensation issues relating to portfolio companies for consideration in exercising the proxy rights attached to securities of portfolio companies. The Fund does not expect to deviate from these general guidelines for routine matters. For material non-routine matters, the Investment Committee or the Board may approve the use of the proxy. The Manager will keep a record of all public company proxy votes and will report to the Investment Committee at least annually.

Under the proxy voting policy, the Manager has the discretion to vote on matters before the securityholders of a Fund’s investee. The Manager will exercise its discretion in the best interest of the Fund and to maximize the Fund’s investment objective of achieving long-term capital appreciation. The Manager will exercise its discretion in that manner when voting for, or withholding votes from, nominees to the board of directors of a Fund investee. The Fund provided the Manager with similar guidance with respect to voting on other routine matters such as board composition, auditor appointment, and compensation matters. For example, the Manager will typically support a Fund’s investee’s management’s recommendations regarding appointing auditors, but may vote against such recommendation where auditor independence is in question. The Manager also has discretion with respect to voting on non-routine matters such as mergers and acquisitions, spin-offs and other corporate restructurings, and social and environmental responsibility, but will always exercise its discretion in the best interest of the Fund. At all times, the Manager will avoid conflicts of interest and may exercise its discretion by voting in line with the independent recommendation of a reputable proxy advisory firm when a vote presents a conflict between the interests of the Fund’s shareholders and those of the Manager and its Affiliates.

The Fund’s proxy voting guidelines are available free of charge to any shareholder of the Fund by writing to the Fund at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan, S4P 0R3.

MATERIAL CONTRACTS

The Fund, or the Manager on behalf of the Fund, has entered into the following material contracts:

- (a) the Articles;
- (b) the Management Agreement referred to under **“Organization and Management Details of the Fund – Management of the Fund – Manager of the Fund”**;
- (i) the Sponsorship Agreement referred to under **“Overview of the Legal Structure of the Fund”**;
- (ii) the Agency Agreement referred to under **“Plan of Distribution”**;
- (iii) the Administrative Services Agreements referred to under **“Plan of Distribution”**;
- (iv) the Custodial Agreement referred to under **“Plan of Distribution”**;
- (v) the Tax Credit Trust Agreement referred to under **“Investment Restrictions and Practices”**;
- (c) the Services Agreement referred to under **“Organization and Management Details of the Fund – Registrar and Transfer Agent”** and **“Organization and Management Details of the Fund – Management of the Fund – Agent and Other Compensation”**; and
- (vi) the RRSP Agency Trust Agreement referred to under **“Plan of Distribution”**.

Copies of the foregoing contracts may be inspected during regular business hours at the principal place of business of the Fund at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan S4P 0R3 and at the Financial and Consumer Affairs Authority, 6th Floor, 1919 Saskatchewan Drive, Regina, Saskatchewan, S4P 3V7. Copies of the material contracts, as well as additional information relating to the Fund can be found on SEDAR at www.sedar.com or the Fund’s website at www.saskworks.ca.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Manager is not aware of any legal proceedings material to the Fund to which the Fund, the Manager, or the Agent is a party or to which any of its property is subject, and no such proceedings are known to be contemplated.

EXPERTS

None of MLT Aikins LLP, Regina, Saskatchewan, counsel to the Fund, McDougall Gauley LLP, Saskatoon, Saskatchewan, counsel to the Agent, or MNPLLP, Chartered Professional Accountants, Regina, Saskatchewan, auditor of the Fund, or any director, officer, employee or partner thereof, as applicable, has received or will receive a direct or indirect interest in the property of the Fund or of any associate or Affiliate of the Fund other than as a result of any shares of the Fund which are or may be beneficially owned, directly or indirectly, by the aforementioned partnerships, and the directors, officers, employees and partners, as applicable, of each of the aforementioned partnerships. As at the date hereof, the aforementioned partnerships, and the directors, officers, employees and partners, as applicable, of each of the aforementioned partnerships beneficially own, directly or indirectly, in the aggregate less than 1% of all of the issued and outstanding shares of the Fund.

EXEMPTIONS AND APPROVALS

The Fund is generally governed by the standard investment restrictions and practices that are otherwise applicable to mutual funds. Certain of these restrictions and practices do not apply to the Fund and the Fund has been granted exemptions from, or variations in respect of, certain restrictions and practices. See **“Investment Restrictions and Practices”**. The Fund has also been granted exemptions from, or variations in respect of, certain other provisions in

NI 81-102 and NI 81-105 to permit it, among other things, to invest in certain persons or companies of which a director or officer of the Fund is a partner, director, officer or small security holder, subject to certain conditions set forth in such exemptive relief, and to pay fees and expenses in the manner disclosed in this prospectus.

OTHER MATERIAL FACTS

Penalties Potentially Applicable to the Fund

Saskatchewan Penalty

The Act requires that, unless the Saskatchewan Minister provides approval for the Fund to wind-up or dissolve, the Fund shall pay a penalty to the Saskatchewan Minister equal to the Saskatchewan tax credits that were issued by the Province of Saskatchewan on the sale of Subscriber Shares, including any interest earned by the trust fund set up for such funds under the Act, if the Fund:

- (a) proposes to wind-up or dissolve;
- (b) has its registration under the Act (the “**Registration**”) revoked; or
- (d) purchases or otherwise acquires any of the Subscriber Shares prior to eight years from the date of issue of the Subscriber Shares unless:
 - (i) the Saskatchewan tax credit issued to the holder of the Subscriber Shares at the time of issuance of the Subscriber Shares to the holder is repaid to the Saskatchewan Minister;
 - (ii) the Subscriber Shares to be redeemed belonged to a holder who has died; or
 - (iii) the holder of the Subscriber Shares to be redeemed is a RRSP or a RRIF and the sole beneficiary of the plan or fund has died.

Revocation of Registration

The Saskatchewan Minister may revoke the Registration of the Fund if the Fund has been struck from the register of corporations pursuant to section 290 of *The Business Corporations Act* (Saskatchewan), or if the Fund fails to comply with any provision of the Act, the Saskatchewan Regulations or any terms and conditions imposed by the Saskatchewan Minister pursuant to the Act or Saskatchewan Regulations. Where the Fund has been struck from the register of corporations, the Fund’s registration may be revoked without notice to the Fund. In any other circumstances, the Saskatchewan Minister must give notice to the Fund of any proposal to revoke the Fund’s Registration. The Fund will have an opportunity, within 60 days of the written notice of proposal, to correct any default and to appeal any revocation of its Registration. Investments in Subscriber Shares made after the revocation of the Fund’s Saskatchewan Registration will not entitle purchasers to receive Saskatchewan tax credits. **See “Risk Factors” and “Other Material Facts – Penalties Potentially Applicable to the Fund – Revocation of Registration”.**

Federal Penalty

The Federal Tax Act provides that the Fund comply with the business investment requirements under the Act, and as a consequence of non-compliance, the Fund will be liable to pay an amount equal (other than interest) to that amount it may be required to pay under the Act as a penalty to the Receiver General.

The Federal Tax Act also requires that the Fund will be liable to pay an amount equal (other than interest) to that amount it may be required to pay under the Act as a consequence of the amalgamation or merger of the Fund with another corporation, the winding-up or Dissolution of the Fund or the Fund ceasing to be registered under the Act, as a penalty to the Receiver General.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in Saskatchewan provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a prospectus and any amendment or within 48 hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limits prescribed by the securities legislation in Saskatchewan. The purchaser should refer to the applicable provisions of the securities legislation in Saskatchewan for the particulars of these rights or should consult with their legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the Fund is available in the following documents:

- (1) Comparative audited annual financial statements of the Fund for the Fiscal Year ended August 31, 2020, together with the accompanying report of the Auditor.
- (2) The most recently filed annual management report of fund performance of the Fund.
- (3) The most recently filed Committee Report of the IRC.
- (4) The most recently filed LSVCC Facts document.

These documents incorporated by reference into this prospectus legally form part of this document just as if they were printed as part of this document. Any document of the type referred to above filed by the Fund after the date of this prospectus, and prior to the completion or termination of the distribution contemplated herein, shall be deemed to be incorporated by reference into this prospectus.

You can get a copy of these documents, at your request, and at no cost by calling the Fund at 1-306-791-4833 or from your dealer. These documents are also available on the Fund's website at www.saskworks.ca or by contacting the Fund at saskworks@saskworks.ca. These documents and other information about the Fund are also available on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) website under the Fund's name, which can be accessed at <http://www.sedar.com>.

Any statement contained in this prospectus or a document incorporated or deemed to be incorporated by reference herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein, or in any other document which is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute a part of this prospectus.

CERTIFICATE OF SASKWORKS VENTURE FUND INC.

Dated: November 25, 2020

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Saskatchewan.

(signed: "Randy Beattie")

Randy Beattie
President & Chief Executive Officer

(signed: "Rob Duguid")

Rob Duguid
Chief Financial Officer

On Behalf of the Board of Directors of
SASKWORKS VENTURE FUND INC.

(signed: "Douglas Frondall")

Douglas Frondall
Chairman and Director

(signed: "Terry Schneider")

Terry Schneider
Vice-Chairman and Director

CERTIFICATE OF PFM VENTURE CAPITAL OPERATIONS INC.

Dated: November 25, 2020

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Saskatchewan.

(signed: "Randy Beattie")
Randy Beattie
President

(signed: "Mike Merth")
Mike Merth
Chief Financial Officer

On Behalf of the Board of Directors of
PFM VENTURE CAPITAL OPERATIONS INC., as Manager and Promoter

(signed: "Rob Duguid")
Rob Duguid
Director

(signed: "Randy Beattie")
Randy Beattie
Director

CERTIFICATE OF THE AGENT

Dated: November 25, 2020

To the best of our knowledge, information and belief, this prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Saskatchewan.

INDUSTRIAL ALLIANCE SECURITIES INC.

Per: (signed: "Frederik Westra")
Name: Frederik Westra
Title: Executive Vice President,
Managing Director and
Head of Capital Markets