

This confidential offering memorandum (the “Offering Memorandum”) constitutes an offering of the securities described herein only in those jurisdictions where they may be lawfully offered for sale and may be sold only by persons permitted to sell these securities and only to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus or an advertisement or a public offering of these securities. No securities commission or similar regulatory authority has reviewed this Offering Memorandum nor has it in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This is a risky investment. See Item 9 - “Risk Factors”. No prospectus has been filed with any such authority in connection with the securities offered hereunder.

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

This Offering Memorandum incorporates by reference all marketing materials delivered or made available to prospective subscribers regarding the securities offered under this Offering Memorandum.

OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUER

Continuous Offering

September 17, 2025



DAMI MORTGAGE INCOME FUND CORP.

CLASS A PREFERRED SHARES

Preferred Series A Shares, Subordinated Series B, and
Subordinated Series F Shares OFFERING PRICE: \$100.00

per Class A Preferred Share

Minimum Subscription: \$5000

subject to compliance with securities laws and the Manager’s discretion

DAMI Mortgage Income Fund Corp. (the “Corporation”) is offering on a private placement basis Shares of the Corporation at a price equal to \$100.00 per Share (as defined herein) for each Series (as defined herein) (the “Offering”). Each Share represents an undivided beneficial interest in the assets of the Corporation, which will principally be comprised of indirect interests in Mortgage (as herein defined) loans. See **Item 2- Business of the Corporation**.

The Offering is being made to Canadian residents in reliance on certain exemptions to the prospectus requirements under the applicable securities laws of the Province of Ontario. **As a result, the Shares will be subject to the applicable resale restrictions under the said laws.** As at the date of this Offering Memorandum, the Offering is also being made in reliance on certain exemptions to the registration requirements under the applicable securities laws of the Province of Ontario. There are certain risk factors inherent in an investment in the Shares and in the activities of the Corporation. See **Item 9- Risk Factors**.

The Corporation was incorporated under the laws of the Province of Ontario pursuant to Articles of Incorporation dated May 20, 2022. The registered office of the Company is located at 22 Shorten Place, Ajax, Ontario, L1T 0E9. The Corporation has entered into a management agreement (the “Management Agreement”) with Durham Asset Management Inc. (“DAMI”) on June 29, 2022 pursuant to which the Manager has agreed to service the Corporation's mortgage portfolio, including sourcing, negotiating, and underwriting mortgages. Mortgage transactions for the Corporation are sourced by the Manager from licensed mortgage brokers. The head office of the Manager and the Corporation is located at 22 Shorten Place, Ajax, ON L1T0E9.

The Corporation qualifies as a “mortgage investment corporation” for purposes of the Tax Act. The Corporation will, in computing its taxable income, generally be entitled to deduct the full amount of all taxable dividends (other than capital gains dividends) which it pays during the year or within 90 days after the end of the year to the extent that such dividends were not deductible by the Corporation in computing its income for the preceding year. Dividends other than capital gains dividends, which are paid by the Corporation on the Preferred Shares to Shareholders, will be included in Shareholders’ incomes as interest income.

RELATED OR CONNECTED ISSUER

Each of the Corporation and Durham Asset Management Inc. may be considered to be a “related” or “connected” issuer (as such terms are defined in National Instrument 33-105 - *Underwriting Conflicts*).

DISCLAIMERS

This Offering Memorandum does not constitute and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the Shares offered hereby.

Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their professional advisors to assess the business, legal, income tax and other aspects of this investment.

The Shares will be issued only on the basis of information contained in this Offering Memorandum and provided by the Corporation in writing, and no other information or representation is authorized or may be relied upon as having been authorized by the Corporation or the Manager. Any subscription for the Shares made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of such person. Neither the delivery of this Offering Memorandum at any time nor any sale to Subscribers of any of the Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Corporation since the date of the sale to any Subscriber of the securities offered hereby or that the information contained herein is correct as of any time subsequent to that date.

This Offering Memorandum is confidential. By their receipt hereof, prospective Subscribers agree that they will not transmit, reproduce or make available to anyone other than their professional advisors, this Offering Memorandum or any information contained herein.

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SUMMARY OF THE OFFERING

This is a summary only and is qualified by the information appearing elsewhere in this Offering Memorandum. Capitalized terms appearing herein and not otherwise defined have the respective meanings ascribed thereto in the "Definitions" section or elsewhere in this Offering Memorandum. Unless otherwise indicated, all references to dollar amounts in this Offering Memorandum are to Canadian dollars.

Significant Parties

The Issuer

DAMI Mortgage Income Fund Corp.
Telephone: +1 (905) 239-2436,
Toll Free: +1 (833) 444-DAMI (3264)
Website: www.durhamasset.ca
Email: info@durhamasset.ca

These securities do not trade on any exchange or market.

Reporting Issuer:

No

SEDAR Filer:

Yes; Profile Number 000102308

The Offering

Securities Offered:

Class A Preferred Shares of the Corporation issued in series currently comprising of three (3) series of Shares: (i) a limited number of Preferred Series A Shares; (ii) an unlimited number of Subordinated Series B Shares; and an unlimited number of Class A Subordinated Series F Preferred Shares.

Price:

The price of the Preferred Series A, Subordinated Series B Shares, and Subordinated Series F Shares shall be \$100.00 per Share.

Minimum/Maximum Offering:

There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.

Minimum Subscription:

Investors must subscribe for not less than 50 Shares (\$5000.00). Subsequent investments shall require a minimum investment of 10 Shares (\$1000.00). The Corporation reserves the right to waive the minimum investment requirement in certain circumstances, subject to compliance with regulatory requirements.

Payment Terms:

Bank draft, cheque, or by other payment means as directed by the Manager.

Proposed Closing Date:

Preferred Shares are offered on a continuous basis under this Offering Memorandum with closings generally occurring at 4:00 pm every Friday in each calendar month.

Income Tax Consequences:

There are important tax consequences to these securities. **See Item 7 - Income Tax Considerations for Investors**

Selling Agent:

DAMI, a company registered as an Exempt Market Dealer in Ontario. The Manager reserves the right to appoint additional Exempt Market Dealers from time to time. For more information, the Subordinated Series F Shares may only be purchased through a Registered Dealer or a Registered Advisor. **See Item 8 – Compensation Paid to Sellers and Finders.**

Resale Restrictions:

You will be restricted from selling your securities for an indefinite period. **See Item 11 – Resale Restrictions.** However, you may be able to redeem your Preferred Shares from the Corporation at certain times if you follow the procedure established. **See Item 5.1 – Redemption of Preferred Shares.**

Purchaser's Rights:

You have 2 Business Days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. **See Item 12- Purchaser's Rights.**

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 9.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this Offering Memorandum is “forward-looking information” within the meaning of applicable securities laws. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” or other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors, many of which are beyond the control of the Corporation, could cause actual results to differ materially from the results discussed in the forward-looking information. Although the forward-looking information contained in this Offering Memorandum is based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with this forward-looking information. Because of the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in the Corporation’s securities should not place undue reliance on this forward-looking information.

In particular, this Offering Memorandum contains forward-looking information pertaining to the following:

- business development plans and estimated timing;
- business strategy and plans;
- other expectations, beliefs, plans, goals, objectives, assumptions, information; and
- statements about possible future events, conditions, results of operations or performance.

Often, but not always, forward-looking information uses words or phrases such as: “expects”, “does not expect” or “is expected”, “anticipates” or “does not anticipate”, “plans” or “planned”, “estimates” or “estimated”, “projects” or “projected”, “forecasts” or “forecasted”, “believes”, “intends”, “likely”, “possible”, “probable”, “scheduled”, “positioned”, “goal”, “objective” or states that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurances that future results, levels of activity, performance or achievements will occur as anticipated. Information regarding sales revenues, plans for ongoing development, and potential acquisitions assumes that the prevalent economic conditions will not materially affect the business in a manner greater than anticipated.

Undue reliance should not be placed on forward-looking information. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks which could cause actual results to vary and, in some instances to differ materially from those anticipated by the Corporation and described in the forward-looking information contained in this Offering Memorandum. The material risk factors include, but are not limited to:

- the risks of the competition within the Corporation’s business;
- the risk of international, national and regional economic conditions;
- the uncertainty of estimates and projections relating to the real estate industry;
- fluctuations in interest rates;
- uncertainties as to the availability and cost of financing and changes in capital markets;
- changes in general economic and business conditions;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- the Corporation’s ability to implement its business strategy.

The foregoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect the

Corporation's operations or financial results are included under the heading "Risk Factors" in this Offering Memorandum. Forward-looking information is based on the estimates and opinions of the Corporation at the time the information is presented. The Corporation assumes no obligation to update forward-looking information should circumstances or the Corporation's estimates or opinions change, except as required by law.

PROSPECTIVE INVESTORS SHOULD THOROUGHLY REVIEW THIS OFFERING MEMORANDUM AND ARE ADVISED TO CONSULT WITH THEIR OWN LEGAL AND TAX ADVISORS CONCERNING THIS INVESTMENT.

DEFINITIONS

The following terms used in this Offering Memorandum have the meanings set out below:

“**Affiliate**” has the meaning ascribed thereto in the Ontario Act.

“**Associate**” has the meaning ascribed thereto in the Ontario Act.

“**Authorized Investments**” means Mortgages, Authorized Interim Investments, Related Investments, Workout Investments, or the acquiring, holding, maintaining, improving, leasing or managing of any Real Property or an interest in Real Property in the Manager's sole discretion, to preserve, protect or enhance the Corporation or its assets; and it means, for the limited purpose of hedging risks to the portfolio of the Corporation, derivatives, including purchasing forward exchange contracts in order to hedge against potential losses in the exchange rate between the Canadian and U.S. dollars in respect of U.S. Mortgages, and short selling Mortgages, Authorized Interim Investments, and Related Investments.

“**Authorized Interim Investments**” means investments guaranteed by the Government of Canada or of a Province or Territory of Canada, cash deposits in or receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued, endorsed or guaranteed by a Schedule I or Schedule II Bank, Insured Mortgages and AAA rated Mortgage-backed securities.

“**Book Value**” means the aggregate amount paid by investors to the Corporation for all the outstanding Class A Preferred Shares of the Corporation.

“**Business Day**” means a day other than a Saturday, Sunday or any day on which the Schedule I Banks located in Toronto, Ontario are not open for business during normal banking hours.

“**Calendar Quarter**” or “**Quarter**” means any period from January 1st to March 31st; April 1st to June 30th; July 1st to September 30th; and October 1st to December 31st.

“**Class**” means any class of Shares described in this Offering Memorandum or such other class of Shares as may be established by the Corporation in accordance with provisions of the articles of incorporation.

“**Class A Preferred Shares**” or “**Preferred Shares**” means the Class A Preferred Shares of the Corporation issued in series consisting of the Preferred Series A Shares, the Subordinated Series B Shares and the Subordinated Series F Shares.

“**Class NAV**” means the Net Asset Value of the Class A Preferred Shares where such amount shall be equivalent to the Corporation's Net Asset Value and “**Class NAV per Share**” means the Class NAV divided by all the issued and outstanding Class A Preferred Shares.

“**Closing**” means closings that occur at 4:00 pm every Friday in each calendar month.

“**CMHC**” means Canada Mortgage and Housing Corporation.

“**Commercial Mortgages**” means Mortgages granted as security for loans given in respect of properties, land developments and construction projects which have retail, commercial, service, office and/or industrial uses.

“**Construction Mortgages**” means Mortgages granted as security for loans which are advanced against stipulated budgets for multi- family residential and commercial, retail, service, office and/or industrial use projects.

“**Corporation**” means DAMI Mortgage Income Fund Corporation.

“**Corporation Valuation Date**” means the last Business Day of the month on which the Corporation's NAV is calculated.

“**CRA**” means Canada Revenue Agency.

“**DAMI**” means Durham Asset Management Inc., a corporation duly incorporated under the federal laws of Canada.

“**Distributable Cash**” means the balance of Net Revenue generated by the Corporation which will be distributed by the

Corporation as dividends in accordance with the provisions contained in this Offering.

“**Distribution**” means dividends of the Corporation declared in accordance with this Offering Memorandum and the Corporation’s articles of incorporation.

“**Distribution Date**” means the date on or about the last Business Day of each calendar month on which distributions are made.

“**Exempt Plans**” means trusts governed by a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF), a deferred profit-sharing plan (DPSP), a registered disability savings plan (RDSP), a tax-free savings account (TFSA) or a registered education savings plan (RESP).

“**Fair Market Value**” in relation to a Preferred Share means the fair market value of such share as determined by the Corporation from time to time, acting reasonably, in the sole discretion of the director(s), based upon the price at which the shares were offered for sale in the most recent offering of shares by the Corporation less the net issue costs of such share, adjusted as determined by the Corporation including, without limitation, an adjustment for profits and losses up to the date of determination; provided however that such fair market value shall not exceed the proportionate share of the net asset value of the Corporation represented by such share.

“**First Mortgage**” means a Mortgage having priority over all other Mortgage loan interests registered against the same Real Property used to secure such Mortgage.

“**Fiscal Year**” means each consecutive period of 12 months commencing on July 1 and ending on June 30.

“**FSCO**” means the Financial Services Commission of Ontario.

“**Insured Mortgages**” means Mortgages, the principal repayment of which have been insured with CMHC or another commercially recognized mortgage insurer.

“**Investment Objectives**” means the investment objectives set out under **Item 2.2 – Investment Objectives**.

“**Maintenance Fee**” means any expense incurred by the Manager to pay for accounting, auditing, mortgage administration, and other operating costs associated with the Corporation and management of the Authorized Investments.

“**Manager**” means Durham Asset Management Inc. in its capacity as manager of the Corporation, or any such person as may from time to time be appointed by the Corporation to manage the day-to-day operation of the Corporation and its successors as Manager of the Corporation, together with any agents duly appointed by the Manager.

“**Management Commentary**” means a summary of the Corporation’s investments in aggregate and the Manager’s opinion of the issues affecting the current and or future well-being of the Corporation.

“**Management Fee**” means the right of the Manager to receive 1.25% per annum payable by each Series of shares and calculated and paid monthly in arrears.

“**Material Agreements**” means the contracts referred to under **Item 2.7 – Material Agreements**.

“**MBLAA**” means the *Mortgage Brokerages, Lenders and Administrator’s Act, 2006*.

“**Mortgage**” means a mortgage, hypothec, deed of trust, charge or other security interest of or in real property used to secure obligations to repay money by a charge upon the underlying Real Property, whether evidenced by notes, debentures, bonds, assignments of purchase and sale agreements or other evidence of indebtedness, whether negotiable or non-negotiable.

“**Mortgage Broker**” means a person responsible for the organization or syndication of the Mortgage.

“**Mortgage Originator**” means a person whose main function is to source Mortgage investment opportunities. This person is usually a Mortgage Broker licensed by FSCO or the equivalent of FSCO in the Mortgage Broker’s jurisdiction.

“**Mortgage Portfolio**” means, at any time, the portfolio of Mortgages or other Authorized Investments, or interests therein, held by the Corporation.

“**Net Asset Value**” or “**NAV**” means the net asset value of the Corporation and/or any series of shares, as applicable, computed in accordance with the provisions contained herein and the Articles of the Corporation.

“**Net Capital Gains**” or “**Net Capital**” means for the calendar month (and any taxation year), the realized capital gains of the Corporation less the capital losses of the Corporation that have occurred computed in accordance with the provisions of the Tax Act, taking into account the application of available non-capital and capital loss carry forwards remaining after application in determining Net Income.

“**Net Decline**” means the negative difference between the Book Value and the Corporation’s Net Asset Value as calculated and reported on the Corporation Valuation Date.

“**Net Excess**” means the positive difference between the Corporation’s Net Asset Value and the Book Value as calculated on Corporation Valuation Date.

“**Net Income**” means for the calendar month or yearly, taking into account the application of available monthly or annual non-capital and capital loss carry forwards, but excluding therefrom the Net Capital Gains of the Corporation.

“**Network**” means DAMI’s network of Mortgage Brokers.

“**Net Revenue**” means for a particular month, Net Income and Net Capital Gains determined in accordance with International Financial Reporting Standards.

“**NI 45-106**” means National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended, supplemented or replaced from time to time.

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended, supplemented or replaced from time to time.

“**Offering**” means the continuous offering on a private placement basis of Preferred Shares at a price described in this Offering Memorandum.

“**Ontario Act**” means the *Securities Act* (Ontario), and the regulations, rules, policies and other instruments promulgated thereunder, as amended, supplemented or replaced from time to time.

“**Ordinary Resolution**” means a resolution passed by a simple majority of the votes cast by those Shareholders who, being entitled to do so, vote in person or by proxy at a duly convened meeting of Shareholders, or, subject to applicable laws, regulations and regulatory policies, a written resolution, in one or more counterparts, consented to in writing by Shareholders holding not less than 50% plus one of the votes attached to Shares held by all Shareholders entitled to vote at that time.

“**Person**” means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof.

“**Phase I Environmental Audit**” means an evaluation of Real Property for purposes of environmental analysis performed solely on the basis of historical records without invasive sampling or drillings from such property.

“**Pre-Development Mortgages**” means Mortgages granted as security for loans which are advanced for the purpose of assisting in the development of the mortgaged lands which may include, but not be limited to, Mortgages that are advanced against stipulated budgets for the acquisition of land, pre-development costs and installation and construction of roads, drainage, sewage, utilities, and similar improvements on such lands.

“**Preferred Series A Shares**” means the Preferred Series A Shares which is a series of the Class A Preferred Shares of the Corporation.

“**Principal Amount**” means the aggregate purchase price paid by a Shareholder to purchase Shares in the Corporation. “**Principal Preference Rights**” means the Series NAV of the Preferred Series A Shares shall be protected by any Net Decline in the Corporation’s NAV up to a maximum of 30% calculated cumulatively, during the Corporation’s Fiscal Year.

“**Proportionate Share**” means of any particular amount in respect of a Shareholder at any time shall be the product obtained by multiplying the particular amount by the number obtained when the number of Shares that are owned by that Shareholder at that time is divided by the total number of Shares at that time.

“**Qualified Appraiser**” means a person who is an appraiser accredited or licensed by the Appraisal Institute of Canada or any successor thereof.

“**Real Property**” means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, Mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co- ownership, joint venture or otherwise) and any interests in and to any of the foregoing.

“**RealShare**” means RealShare Inc., formerly Acreage Inc. or AcreageWay, a corporation incorporated pursuant to the laws of the Province of Ontario that acts as a blockchain-based investment platform and is registered in Ontario as an Exempt Market Dealer.

“**Redemption Amount**” means the redemption proceeds the Corporation pays to the Shareholder for redeeming or causing to be redeemed all or any part of the Shares held by any Shareholder. less any redemption charge or other fees determined pursuant to the Articles of Incorporation, this Offering Memorandum, and other such terms and conditions as the Manager may, from time to time, determine at its discretion.

“**Redemption Date**” means, subject to any restrictions as set out herein, the last Business Day of the Calendar Quarter.

“**Redemption Price**” means the price the Corporation pays to the Shareholder for redeeming or causing to be redeemed all or any part of the Shares held by any Shareholder to be calculated as follows: the number of Shares being redeemed multiplied by the lesser of (i) the Subscription Price Per Share, or (ii) the NAV per Share for the applicable Series of Shares on the Redemption Date.

“**Redemption Request**” means the written request (or a request presented in other such forms as the Manager may require from time to time) submitted by the Shareholder on 30 days’ notice to the Manager to request the redemption of all or any part of such Shareholder’s Shares.

“**Registered Dealer**” means an investment dealer registered with a securities commission in a Canadian Province or Territory who has agreed to distribute Shares of the Corporation.

“**Related Investments**” means, (i) bonds, debentures, notes or other evidences of indebtedness in, (ii) shares, Shares or other evidence of ownership in, or (iii) any contractual right arising from securitization or another similar process to receive interest income from, any entity engaged directly or indirectly in the Corporation, holding or investing in Mortgages granted as security for loans, or the sole or principal purpose and activity of which is to invest in, hold and deal in Mortgages.

“**Register**” means that record of the names and addresses of Shareholders together with other pertinent information to be kept by, on behalf of, or under the direction of the Corporation or Manager.

“**Residential Mortgages**” means Mortgages that are registered on or against single family residences and multifamily residential properties.

“**Schedule I Bank**” means a bank listed in Schedule I of the *Bank Act* (Canada).

“**Schedule II Bank**” means a bank listed in Schedule II of the *Bank Act* (Canada).

“**Securities Legislation**” means the securities laws and regulations in each province and territory of Canada that are applicable to the Corporation and the Manager, from time to time, and the requirements, rules, policies, instruments and decisions of the securities regulatory authorities that are applicable to the Corporation and the Manager, from time to time, subject to any exemptive relief there from granted by such securities regulatory authorities to the Corporation or the Manager.

“**Series**” means the means the Preferred Series A Shares, the Subordinated Series B Shares, and the Subordinated Series F Shares of the Class A Preferred Shares of the Corporation collectively.

“**Series A Shares**” mean, respectively, the Series A Preferred Shares which are a series of the Class A Preferred Shares of the Corporation.

“**Series Expenses**” in respect of any particular Series of Preferred Shares of the Corporation (or sub-series of that Series), including any management, performance and other fees, if any, and all other costs, expenses and other amounts attributable to that particular Series of Shares, all as determined by the Corporation or Manager.

“**Series NAV**” means, with respect to any particular Series of the Preferred Shares of the Corporation, the net asset value of the Corporation’s assets, as of that Valuation Date, referable to that Series determined in accordance with the provisions of the Articles of Incorporation and this Offering Memorandum.

“**Series NAV per Share**” means with respect to any particular Series of the Preferred Shares of the Corporation on any Valuation Date, the quotient obtained by dividing the Series NAV of the Series by the total number of Shares of that Series outstanding at that Valuation Date, all as determined by the Corporation.

“**Share**” means each of the Class A Preferred Shares of the Corporation (collectively, the “**Shares**”).

“**Share Certificate**” means a certificate, in the form approved by the Corporation, evidencing one or more shares, which may be issued and certified in accordance with the provisions of the Articles of Incorporation, which for greater certainty may include an electronic or paperless form of certificate as may be approved by the Corporation.

“**Shareholder**” means a holder of shares in the Corporation.

“**Special Resolution**” means a resolution approved by not less than 66 2/3% of the votes cast by those Shareholders who, being entitled to do so, vote in person or by proxy at a duly convened meeting of Shareholders, or, subject to applicable laws, regulations and regulatory policies, a written resolution, in one or more counterparts, consented to in writing by Shareholders holding not less than 66 2/3% of the votes attached to Shares held by all Shareholders entitled to vote at that time.

“**Subordinated Series Shares**” means the Subordinated Series B Shares and the Subordinated Series F Shares collectively,

“**Subordinated Series Shareholder**” means the holders of Subordinated Series B Shares and Subordinated Series F Shares collectively,

“**Subscriber**” means a subscriber for shares hereunder, pursuant to the Offering, whose subscription has been accepted by the Corporation, and to whom shares have been issued and not revoked or transferred, and any other holder of shares from time to time (collectively, the “**Subscribers**”).

“**Subscription Agreement**” means the agreement to be entered into between the Corporation and Subscribers in furtherance of a subscription for shares under the Offering.

“**Subscription Date**” means 4:00 pm every Friday in each calendar month and such other date(s) as the Manager may in its discretion designate.

“**Subscription Deadline**” means 12:00 pm every Thursday in each calendar month and such other date(s) as the Manager may in its discretion designate.

“**Subscription Price**” or “**Subscription Price Per Share**” means \$100.00 per Class A Preferred Share payable by a subscriber for such shares in the Corporation and can refer to such other prices for shares as determined by the director(s) in their sole discretion.

“**Subordinate Mortgage**” means a Mortgage other than a First Mortgage, including, without limitation, a Second Mortgage.

“**Subordinated Series B Shares**” mean, respectively, the Subordinated Series B Shares which are a series of the Class A

Preferred Shares of the Corporation.

“**Subordinated Series F Shares**” mean, respectively, the Subordinated Series F Shares which are a series of the Class A Preferred Shares of the Corporation.

“**Subsidiary**” has the meaning ascribed thereto in the OBCA.

“**Superintendent**” means the Superintendent of Financial Services, who is the chief executive officer of FSCO.

“**Tax Act**” means the Income Tax Act (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Tax Proposals**” means the proposals for specific amendments to the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof.

“**Term Financing Mortgages**” means Mortgages granted as security for a loan used to finance a completed or substantially completed income-producing or owner-occupied property for a period of time.

“**Third Mortgage**” means a Mortgage having priority over all other Mortgage loan interests registered against the same Real Property other than a First Mortgage and a Second Mortgage on such Real Property.

“**Uninsured Mortgages**” means Mortgages, the principal repayment of which have not been insured with CMHC or another commercially recognized mortgage insurer.

“**Valuation Agent**” means such company as may from time to time be appointed by the Corporation to act as valuation agent.

“**Valuation Date**” means when the Manager determines the Series NAV and Series NAV per share calculation is required, the last Business Day of each Calendar Quarter on which the Series NAV per share will be calculated for purposes of Redemption.

“**Valuation Time**” means the time at which trading closes on the Toronto Stock Exchange on the Valuation Date.

“**Workout Investments**” means any evidence of indebtedness, any evidence of ownership in any entity or any other investment made by or at the direction of the Corporation, in the directors’ sole discretion, on behalf of the Corporation, to preserve or protect the Corporation or its assets.

THE CORPORATION

PURPOSE OF THE OFFERING

The purpose of this Offering is to provide investors with the opportunity to subscribe for Preferred Shares. The Corporation qualifies as a “mortgage investment corporation” for purposes of the Tax Act. The Corporation will, in computing its taxable income, generally be entitled to deduct the full amount of all taxable dividends (other than capital gains dividends) which it pays during the year or within 90 days after the end of the year to the extent that such dividends were not deductible by the Corporation in computing its income for the preceding year. Dividends other than capital gains dividends, which are paid by the Corporation on the Preferred Shares to Shareholders, will be included in Shareholders’ incomes as interest income.

The Preferred Shares will be qualified investments for inclusion in a Canadian RRSP, RRIF, RESP, TFSA, or DPSP subject to the Corporation maintaining its status as a “mortgage investment corporation”. For further information, see **Item 7 - Income Tax Consequences**.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

The funds available as a result of the Offering cannot be determined because the Corporation’s Preferred Shares are being offered on a continuous basis with closings generally occurring on the first Business Day of each month. There is no minimum or maximum offering.

1.2 Use of Available Funds

The Corporation intends to invest all or substantially all of the net proceeds of the Offering directly in Mortgages and Authorized Investments.

1.3 Reallocation

The Corporation intends to spend the available funds in accordance with its investment objectives and strategies set out herein. It will reallocate available funds only for sound business reasons.

ITEM 2 BUSINESS OF THE DAMI MORTGAGE INCOME FUND CORP.

2.1 Structure

The Corporation

The Corporation was incorporated under the laws of the Province of Ontario pursuant to Articles of Incorporation dated May 24, 2022. The registered office of the Company is located at 22 Shorten Place, Ajax, Ontario, L1T 0E9. The Corporation has entered into a management agreement (the “**Management Agreement**”) with Durham Asset Management Inc. (“**DAMI**”) on June 29, 2022, pursuant to which the Manager has agreed to service the Corporation's mortgage portfolio, including sourcing, negotiating, and underwriting mortgages. Mortgage transactions for the Corporation are sourced by the Manager from licensed mortgage brokers.

An investment in the Corporation is represented by shares. The Corporation has the sole discretion to determine whether the capital of the Corporation is divided into one or more classes and/or series of shares, the attributes of each class/series of shares, and whether the shares of any class/series should be redesignated as shares of a different class/series.

The number of shares that may be issued by the Corporation is unlimited. The Corporation currently has issued two classes of shares: (i) the Common Shares; and (ii) the Class A Preferred Shares, issuable in series, currently containing three series of Shares (Preferred Series A Shares, Subordinated Series B Shares and Subordinated Series F Shares) and being offered for sale by the Corporation pursuant to this Offering Memorandum. The attributes and characteristics of the Shares are described in **Item 5.1 – Terms of Securities**.

The principal office of the Corporation is 22 Shorten Place, Ajax, ON L1T 0E9. The Fiscal Year end of the Corporation will be June 30th in each year and the taxation year end will be June 30th in each year.

Durham Asset Management Inc. has been appointed as the Manager of the Corporation. Its office is located at 22 Shorten Place, Ajax, ON L1T 0E9.

2.2 Our Business

Investment Objectives

The Corporation was formed to carry on the business of lending money, principally to individuals, for the purpose of acquiring, developing, maintaining or upgrading real property, against the security of a mortgage granted on such property. The Corporation conducts its mortgage lending activities on properties located in the Greater Toronto Area of the Province of Ontario, though it will consider conducting mortgage lending activities in other Provinces.

The Corporation's objective is to generate income while preserving, for its Shareholders, capital for reinvestment. The Corporation makes loans which do not generally meet the underwriting criteria of conventional lenders and/or involve borrowers in areas typically not well serviced by major lenders. As a result, the mortgages held by the Corporation are expected to earn a higher rate of interest than what is generally obtainable through conventional mortgage lending activities. The Corporation intends to pay out as monthly distributions substantially all of its net income and net realized capital gains.

General

The Corporation was formed to carry on the business of a ‘mortgage investment corporation’ for purposes of the Tax Act (See Item 7, Income Tax Consequences for the requirement of a MIC under the Tax Act). As such, its business consists in

the lending of money, principally to individuals, for the purpose of acquiring, developing, maintaining or upgrading real property, against the security of a mortgage granted on such property. The Corporation conducts its mortgage lending activities on properties located in the Greater Toronto Area of the Province of Ontario, though it will consider conducting mortgage lending activities in other parts of Ontario and Canada subject to receipt of necessary regulatory approvals.

The Corporation's objective is to generate income while preserving, for its shareholders, capital for reinvestment. The Corporation makes loans which do not generally meet the underwriting criteria of conventional lenders and/or involve borrowers in areas typically not well serviced by major lenders. As a result, the mortgages held by the Corporation are expected to earn a higher rate of interest than what is generally obtainable through conventional mortgage lending activities. Unlike mortgage mutual funds, the Corporation engages in direct mortgage lending activities and generally does not acquire mortgages, or fractional interests in mortgages, in the secondary market. Also, unlike many mortgage mutual funds, the Corporation does not use derivatives.

The Corporation intends to pay out as dividends substantially all of its net income and net realized capital gains every year, in that regard, it targets certain annualized yields. Amounts for dividend distributions will not be paid from the proceeds of the Offering. The Corporation declares monthly dividends to holders of Preferred Shares of record on the last business day of each month and pays such dividends on or before the 5th day of the following month. See Section 5.1, "Rights Attaching to Preferred Shares".

Canadian Mortgages as an Investment

Historically, the Canadian residential mortgage market has been very stable. There are relatively few large financial players in Canada. Unlike mortgage lenders in the United States, Canadian lenders have recourse against the borrower's other assets and income in addition to the real estate that has been secured. Canadians do not have a tax deduction on their mortgage interest which increases the incentive to pay down their mortgage. The overall creditor conservatism in Canada has resulted in a much lower delinquency rate during the past global recession. For example, according to the Canadian Bankers Association, as at September 2017, 0.10% of all residential mortgages in Ontario were in arrears for three or more months, and that percentage has remained at or below 0.70% since it began reporting that statistic in 1990. This statistic for Canada as a whole stand at 0.24%.

The objective of the Corporation is to identify relatively low risk, high yielding mortgage opportunities, which will be primarily in the form of first and second mortgages. The credit risk of many borrowers may be deemed too high for banks, yet they present only a modest increased credit risk for alternative lenders. There are a number of common circumstances that fall outside the typical lending guidelines of Canadian banks. These circumstances include, but are not limited to:

- self-employed individuals;
- individuals with a blemished credit history;
- individuals with non-traditional or variable sources of income; and
- individuals with a limited credit history.

Due to the ongoing tightening of the underwriting guidelines of mortgage insurers and federally regulated institutions and the increasingly strict impositions by Canadian regulatory agencies on lending practices, traditional financial institutions have exited the non-conventional residential mortgage market, while other alternative financial institutions have significantly reduced their available credit to this market. Due to these new restrictive constraints, many borrowers who previously qualified for residential mortgages no longer qualify, and accordingly find themselves without viable financing options. To the extent traditional Canadian financial institutions under-serve these non-conventional borrowers, an increased number of attractive lending opportunities will be made available to the Corporation. Moreover, with a limited supply of financing available to the non-conventional borrower, borrowers are often willing to pay higher interest rates. This presents an additional opportunity for non-conventional lenders like the Corporation to charge premium interest rates for residential mortgages which, prior to the imposition of these new restrictive constraints, were available at relatively low conventional rates from a variety of financial institutions.

Investment Strategies

The Corporation's business consists in the lending of money, principally to individuals, for the purpose of acquiring, maintaining or upgrading real property, against the security of a mortgage granted on such property. The Corporation conducts its mortgage lending activities on properties located in Ontario, though it will consider conducting mortgage lending activities in other Provinces subject to receipt of necessary regulatory approvals. The purchase of a single security,

namely, the Preferred Shares, allows an investor to diversify risk and participate with other investors in an entity holding a variety of mortgages.

The Manager works closely with retail mortgage brokers throughout Ontario in order to market the Corporation as a lender of choice in the non-conventional mortgage market segment. In this manner, the Corporation expects to be well positioned to receive referrals on mortgage lending opportunities that do not meet the criteria of the major lending institutions and/or will involve borrowers in areas typically not well serviced by major lenders. As a result, the Corporation's investments in non-conventional mortgages are expected to earn a higher rate of interest than what is generally obtainable through usual mortgage lending activities.

The Corporation may invest in either residential mortgages (i.e. mortgages that are principally secured by mortgage registrations on residential property titles) or commercial mortgages (i.e. mortgages that are principally secured by multi-family housing projects, residential land developments, mixed-use properties and income-producing properties that have retail, commercial, service, office and/or industrial uses) though the majority of its investments will be in residential mortgages.

The Corporation, through the Manager, will invest in first, second mortgages, and third mortgages and such mortgages will typically fall into the following major loan categories:

- a) Standard First or Second Mortgage Loans – These are either conventional (80% loan to value ratio) or high ratio first, second or third mortgage loans. High ratio mortgage loans will not exceed 80% of the appraised value at the time of the loan. These loans would typically be advanced to borrowers to assist with the purchase or refinancing of a property. It is expected that the majority of the Corporation's investments will be in second mortgage loans.
- b) Equity Loans – These loans are advanced to bridge the gap between the equity which is provided by a developer or purchaser and the amount available through conventional financing in the development or purchase of residential, commercial or industrial properties. These can also be 'equity take-out' mortgages where an existing owner has built up equity in a property and wishes to extract cash funds by way of mortgaging that equity. Because of the typically higher risk, potential returns are significantly higher than conventional mortgage returns. Additional revenue is often realized through bonus payments, set up fees, etc. By their very nature, these are generally second position mortgage loans (i.e. loans secured by mortgages against title to land that rank second in priority behind other, usually conventional, loan facilities).
- c) Construction Loans – These loans are advanced to finance the construction and development of various types of properties. These loans are higher risk than loans on completed buildings. It is unlikely that the corporation will invest in any construction loans.
- d) Improvement Loans – These loans are advanced to finance completed or substantially completed buildings that will benefit from the property's redevelopment, renovation, additions, etc. Typically, the funds are used to improve a property so that the overall value is substantively increased, its usability is enhanced, and/or its potential for increased revenue can be realized. While construction risk is substantially eliminated, the success of these projects is subject to market conditions. Accordingly, the return is usually similar to construction loans.

Loans will generally be for terms of twelve months or less. Interest is often set at a fixed rate or at a floating rate based on a margin over the prime lending rate of the Corporation's bank, sometimes with a minimum specified rate. Loan to value, borrower credit history, repayment ability of the borrowers, job stability and marketability of the property and other factors are also part of the underwriting guidelines in setting the appropriate interest rate. The Corporation may share part of a mortgage investment with other lenders acceptable to the Corporation. By limiting its participation in large individual investments, the Corporation will have the benefits of increased portfolio diversification. It will also enable the Corporation to participate in the financing of larger real estate projects than would otherwise be possible.

The Corporation's mortgage portfolio composition will vary over time depending on the Manager's assessment of the appropriate strategy given overall market conditions and outlook. The Corporation will endeavor to build a mortgage portfolio that encompasses the following general characteristics:

- property type and geographical diversification;
- short term loans and intermediate term loans;
- payment schedules primarily of interest only; and

- loans in Canadian dollars on Canadian based real estate.

Operating Restrictions

Subject to the right of the Corporation, in consultation and upon notice to the Manager, to revise the following restrictions from time to time, the Corporation has established certain restrictions on investments as follows:

- subject to clause (m) of 'Investment Policies' below, the Corporation will not invest in securities, guaranteed investment certificates or treasury bills unless such securities, guaranteed investment certificates or treasury bills are issued by an arm's-length party and are pledged as collateral in connection with mortgage investments or obtained by realizing on such collateral;
- the Corporation will not invest for the purposes of exercising control over management of any company or other entity;
- the Corporation will not guarantee the securities or obligations of any person;
- except for any obligations owing under the Management Agreement, as defined below, the Corporation will not hold any indebtedness, whether by way of mortgage or otherwise, of a person who is a director, officer or employee of the Corporation or of any other person who does not deal at arm's length with the Corporation or any of its directors, officers or employees;
- the Corporation will not make any loan or investment which does not meet the "Canadian content" requirements of paragraph 130.1(6)(c) of the Tax Act;
- the Corporation will not engage in derivative transactions for any purpose;
- the Corporation will not lend money on the security of a mortgage unless an independent appraisal by a qualified appraiser of the real estate which is the primary collateral for the loan has been obtained;
- the Corporation may borrow on commercially reasonable terms subject to the leverage limit described below, to acquire or invest in Authorized Investments;
- The Corporation may maintain a funding facility with arm's length third party financial institutions. The Company's borrowings are subject to the restriction that the total indebtedness from such entities may not exceed 80% of the book value of the Mortgages held by the Company as at the date of drawdown of the borrowed funds.
- the Corporation will not develop or manage any real property;
- the cost amount to the Corporation of any real property of the Corporation, including any leasehold interests in such property (except real property acquired by foreclosure or other enforcement of its rights as mortgagee) shall not exceed 25% of the cost amount to it of all of its property; and,
- the Corporation will not otherwise conduct its business in a manner that would cause the Corporation to fail to qualify as a MIC under the Tax Act or that would result in the Preferred Shares not being a "qualified investment" for RRSPs, RRIFs RESPs, TFSAs, and DPSPs under the Tax Act (see **Item 7, Income Tax Consequences.**).

Investment Policies

The Corporation has adopted certain policies which establish the investment criteria for the Corporation's investments. By entering into the Management Agreement, the Manager has agreed to abide by and apply these policies, which are as follows:

- the Corporation's only undertaking will be to invest the Corporation's funds in accordance with its investment strategies and policies and operating restrictions contained in this Offering Memorandum, as may be amended from time to time as set forth below under "Changes to Investment Strategies, Operating Restrictions and Investment Policies";

- b) the Corporation will make loans in amounts up to 80% of the fair market value of the mortgaged property, unless special circumstances warrant exceeding that threshold; fair market value will be primarily based on the most recent sales comparison as determined by an independent professional appraiser who possesses either a Canadian Residential Appraiser (CRA) or Accredited Appraiser Canadian Institute (AACI) designation);
- c) the Corporation may from time to time engage in bridge financing activities including the financing of new home construction but only in limited circumstances and subject to approval by the Board of Directors;
- d) up to 30% of the Corporation's mortgage investments may be held in commercial mortgages (i.e. means mortgages that are principally secured by multi-family housing projects, residential land developments, mixed-use properties and income- producing properties that have retail, commercial, service, office and/or industrial uses);
- e) the Corporation may buy or sell mortgages in the secondary market, or hold a fractional interest in a mortgage, or participate in mortgage syndications but only in limited circumstances and subject to approval by the Board of Directors;
- f) the Corporation will obtain a Phase I environmental audit where there is a reasonable possibility of environmental contamination that might impact the value and marketability of the property;
- g) the Corporation will obtain title insurance in respect of real property provided as security for a mortgage loan in such amounts and on such terms as the Manager considers appropriate or, in the alternative, will obtain a favourable title opinion from a solicitor;
- h) the Corporation shall at all times have policies and procedures in place to verify the identity of prospective borrowers in order to reduce the Corporation's exposure to the risks of mortgage fraud and money laundering activities;
- i) the Manager enacts measures to pursue any defaults by borrowers in a fashion and manner deemed appropriate by the Manager based on the circumstances of such loans;
- j) mortgages in which the Corporation invests may contain clauses permitting the mortgagor, when not in default, to renew the mortgage for additional terms at the sole discretion of the Manager and not the borrower;
- k) all mortgages will, following funding, be registered, subject to regulatory compliance, on title to the subject property in the name of any of the Corporation, the Manager, their respective affiliates or a nominee for the Corporation or the Manager;
- l) the Manager shall apply known and established procedures in the evaluation of mortgage opportunities being made available to the Corporation; and,
- m) to the extent that the Corporation's funds are not invested in mortgages from time to time, they will be held in cash deposited with a Canadian chartered bank or will be invested by the Manager on the Corporation's behalf in short term deposits, savings accounts or government guaranteed income certificates or treasury bills so as to maintain a level of working capital for the Corporation's ongoing operations considered acceptable by the Board of Directors.

Changes to Investment Strategies, Operating Restrictions and Investment Policies

The Corporation's board of directors may in its discretion but acting in the best interests of the Corporation make any amendments, modifications or other changes to the foregoing investment strategies, operating restrictions and investment policies of the Corporation including if, due to a change in the provisions of the Tax Act or other legislation applicable to the Corporation, any of the foregoing restrictions require amendment in order to comply with such change in legislation in order for the Corporation to continue to qualify as a MIC, and such amendments, modifications or other amendments will be binding on the Corporation. It is anticipated that the Manager will provide the Corporation with assistance from time to time on revision of the foregoing strategies, restrictions or policies for any reason including in order to comply with applicable legislation. In the event of any amendment to the foregoing strategies, restrictions and policies, the Manager will be required to comply with and observe such change immediately upon such change becoming effective. Please also refer to **Risk Factors Item 9.2(d)** for risks associated with potential conflicts of interest.

The Manager – Durham Asset Management Inc.

The Corporation entered into a Management Agreement with DAMI on June 29, 2022 pursuant to which the Manager has agreed to service the Corporation's mortgage portfolio, including sourcing, negotiating, and underwriting mortgages. Mortgage transactions for the Corporation are sourced by the Manager from licensed mortgage brokers.

The Manager is considered to be a promoter of the Corporation by reason of its initiative in forming and establishing the Corporation and taking steps necessary for the distribution of the Preferred Shares. The directors and senior officers of the Manager are Michael Lay, Mark Jackson and Rounak Langhe, where the latter is also the sole director of the Corporation. Rounak Langhe is also the sole shareholders of the Manager. There are no other shareholders of the Manager. The Manager will not receive any benefits, directly or indirectly from the issuance to investors of the Preferred Shares pursuant to this Offering, other than as described in this Offering Memorandum including as described below under “*Management Fees and Expenses.*”

The Manager is a registered exempt market dealer, portfolio manager, and investment fund manager in the jurisdiction of Ontario.

Responsibilities of the Manager

The Corporation does not actively employ resources to actively seek or originate mortgages for investment, but instead relies on the expertise of the Manager for a regular flow of investment opportunities. To the extent that the Corporation's funds are not invested in mortgages from time to time, they are held in cash deposited with a Canadian chartered bank or are invested by the Manager on the Corporation's behalf in short term deposits, savings accounts or government guaranteed income certificates so that the Corporation maintains a level of working capital for its ongoing operations.

The Manager is responsible for directing the affairs and managing the business of the Corporation and retains responsibility for the management of the Corporation's portfolio, providing investment analysis and recommendations and for making brokerage arrangements in conformance with the Corporation's investment strategies, operating restrictions and operating policies as set forth in this Offering Memorandum. If, due to a change in the provisions of the Tax Act or other legislation applicable to the Corporation or for any other sound business reason, any of the strategies, policies or restrictions set forth in this Offering Memorandum require amendment, the Corporation shall notify and consult with the Manager and the Manager shall provide assistance from time to time to the Corporation on revising the foregoing strategies, policies or restrictions in order to comply with applicable legislation or otherwise to achieve changing business objectives. In the event of any amendment to the strategies, policies or restrictions set forth in this Offering Memorandum, the Manager shall be required to comply with and observe such change immediately upon such change becoming effective.

The Manager is responsible for the day-to-day mortgage investment and administrative services for the business of the Corporation, including the following:

a) to enter into agreements for the underwriting, pricing, negotiation, acquisition, administration, enforcement, collection, financial reporting and general administration relating to the mortgages and/or interests in mortgages and related rights and all ancillary agreements in connection therewith, and to sell, transfer, exchange, convey, or otherwise deal with or dispose of all or any part of the Corporation's mortgages and/or interests in mortgages and related rights at such times, in such manner and on such terms as the Manager deems appropriate subject to adhering to the Corporation's strategies, restrictions and policies as set forth in this Offering Memorandum. Specifically, the Manager will be required, among other things, to:

1. use its reasonable commercial efforts to acquire investment opportunities consistent with the Corporation's investment guidelines and objectives;
2. underwrite mortgage applications and retain sufficient relevant information, including the terms and conditions of the acquired mortgage investments;
3. service and administer those investments acquired by the Corporation, including monitoring the status and progress of such investments, maintaining records and accounts in respect of each investment, accounting for all amounts received on account of the Corporation's interest in an investment, and on a monthly basis preparing a monthly statement of account in respect of all investments in which the Corporation has an interest;

4. investigate, select and conduct relations with consultants, borrowers, lenders, mortgagors and other mortgage and investment participants, accountants, originators or brokers, correspondents and mortgage managers, technical advisers, lawyers, underwriters, brokers and dealers, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents, banks, investors, builders and developers;
 5. to employ, retain and supervise such persons and the services performed or to be performed by such persons in connection with the Corporation's investments and to substitute any such party or itself for any other such party or for itself;
 6. manage the collection, handling, prosecuting and settling of any claims the Corporation may have with respect to its investments, including foreclosing and otherwise enforcing mortgages and other liens and security interests securing the Corporation's investments;
 7. act on the Corporation's behalf in connection with acquisitions or dispositions of investments, the execution of deeds, mortgages or other instruments in writing for or on the Corporation's behalf and the handling, prosecuting and settling of any claims relating to the Corporation's investments including the foreclosure or other enforcement of any mortgage, lien or other security interest securing the Corporation's investments;
 8. deliver portfolio reports with respect to the Corporation's investments and provide any other information or documentation relating to such investments as may be reasonably requested or as may be required in accordance with the Offering Memorandum or the Management Agreement; and
 9. generally perform such other acts as are required for the purposes of the administration of the Corporation's investments.
- b) to enter into agreements for the management and administration of the Corporation's mortgages and/or interests in mortgages and related rights and to otherwise oversee the day-to-day mortgage investment and the mortgage administrative activities of the business of the Corporation;
 - c) to incur all reasonable expenditures;
 - d) to employ and dismiss from employment any and all agents, independent contractors, managers, brokers, solicitors and accountants;
 - e) to open bank accounts for the Corporation, to designate and from time to time change the signatories to such accounts;
 - f) to attend to all matters relating to the sale of Preferred Shares in accordance with the Securities Act (Ontario) and any other applicable securities legislation, law or policy including without limitation: (A) arranging, and facilitating the completion of, the sale of Preferred Shares through exempt market dealers or other registrants; (B) overseeing investor relations and liaising with and instructing exempt market dealers or other registrants engaged to sell Preferred Shares; (C) acting as transfer agent and registrar for the Preferred Shares; and (D) reviewing and reporting to the holders of Preferred Shares with respect to the financial statements and other information of the Corporation in accordance with the reporting obligations imposed upon the Corporation pursuant to this Offering Memorandum or otherwise under applicable legislation, law or policy;
 - g) to invest funds not immediately required for the operations of the Corporation in cash deposited with a Canadian chartered bank or in short term deposits, savings accounts or government guaranteed income certificates or treasury bills and to make recommendations to the Corporation to consider distributions of excess cash to holders of Preferred Shares in the capital of the Corporation to the extent the Corporation is retaining too much cash on hand;
 - h) to defend on behalf of the Corporation any and all actions and other proceedings brought against the Corporation or its assets and undertakings and to, in its sole discretion, settle on such terms as it deems advisable all such actions, and to consent to a judgment against the Corporation, provided that the effect of the consent would not be to materially or financially affect the business, assets or operations of the Corporation; and,

- i) to execute, acknowledge and deliver any and all instruments to effectuate any and all of the foregoing.

The Manager will make available to the Corporation for purchase mortgages or interests in mortgages as and when they become available. The Manager has the exclusive right to provide the Corporation with these mortgage investments. The Manager intends to direct all loan opportunities that fit within the Corporation's investment guidelines and that do not contravene any restrictions as contemplated herein, so long as the Corporation has sufficient resources to participate. A particular loan may also be excluded if the Manager has determined, in its sole discretion, that it would be unsuitable for the Corporation. Any loans included in the Corporation's portfolio and held by the Manager will only be held by the Manager as bare trustee or nominee for the Corporation.

The Manager will enact measures on behalf of the Corporation to pursue any defaults by any borrowers in a fashion and manner deemed appropriate by the Manager in the circumstances.

The Manager has agreed to arrange, and facilitate the completion of, the sale of the Preferred Shares or any other equity shares of the Corporation. In relation to the foregoing, the Manager shall comply with and observe all laws that apply to the Corporation, its investments and its securities, and may obtain opinion from counsel as it deems necessary in connection with such compliance. The Manager may retain and engage registered agents, securities dealers and brokers in the performance of its obligations.

Mortgage transactions for the Corporation may be sourced by the Manager from mortgage brokers. The Manager has no exclusive arrangement with any particular mortgage broker for the origination of mortgages. Consistent with industry norms, the Manager may pay a commission to the mortgage broker who originated the loan.

The Manager provides for the preparation of accounting, management and other financial reports as well as the keeping and maintenance of the books and records of the Corporation. The Manager reviews and reports to the holders of any debt or equity interests in the Corporation in accordance with the reporting obligations imposed upon the Corporation as set forth in **Item 10** -

Reporting Obligations.

Changes to Investment Strategies, Operating Restrictions and Investment Policies

The Corporation's board of directors may in its discretion but acting in the best interests of the Corporation make any amendments, modifications or other changes to the foregoing investment strategies, operating restrictions and investment policies of the Corporation including if, due to a change in the provisions of the Tax Act or other legislation applicable to the Corporation, any of the foregoing restrictions require amendment in order to comply with such change in legislation in order for the Corporation to continue to qualify as a "mortgage investment corporation", and such amendments, modifications or other amendments will be binding on the Corporation. It is anticipated that the Manager will provide the Corporation with assistance from time to time with revision of the foregoing strategies, restrictions or policies for any reason including in order to comply with applicable legislation. In the event of any amendment to the foregoing strategies, restrictions and policies, the Manager will be required to comply with and observe such change immediately upon such change becoming effective. Please also refer to Risk Factors Item 9.2(d) for risks associated with potential conflicts of interest.

Conflicts of Interest

The Management Agreement is not exclusive to either party and either party may enter into similar arrangements with other parties on whatever terms such party deems appropriate. Further, the Corporation acknowledges that the Manager and its shareholders, directors and senior officers have, or may acquire, interests and dealings in other companies, joint ventures, limited partnerships and/or mortgage investment entities which are presently or may in the future be actively engaged in similar businesses as the Corporation. The Corporation agrees that neither the Manager nor its shareholders, directors or senior officers will be liable to the Corporation for any conflict of interest as a result of such other interests or dealings, and that such interests and dealings do not and will not constitute a breach of this Agreement even if competitive with the business of the Corporation, and even if the business opportunity could have been pursued by the Corporation.

Notwithstanding the immediately preceding paragraph, the Manager shall be required to present to the Corporation all mortgage investment opportunities that are available to it provided the Corporation has the resources to make the proposed

investment and the proposed investment meets the Corporation's investment guidelines and restrictions set forth in the Offering Memorandum and is consistent with the Corporation's investment objectives and strategies. To the extent that the Corporation does not have the resources to invest in particular mortgage investment opportunities or is otherwise deemed unsuitable by the Manager, the Manager shall be permitted to invest in such mortgage loans, on its own account, either as sole lender, co-lender with the Corporation or co-lender with third parties. In such circumstances, so long as the Corporation continues to not have the resources to make additional investments in mortgage loans, the Manager shall be authorized to sell to third parties all or any portion of its interests in mortgage loans held on its own account but, for certainty, not interests held on the Corporation's account. To the extent the Corporation co-invests with the Manager or other third parties, the Manager will use reasonable commercial efforts to ensure such co-investment is allocated fairly.

Liability and Indemnity

The Manager will only be liable to the Corporation by reason of acts constituting bad faith, willful misconduct or gross negligence in respect of its duties under the Manager Agreements. The Company has agreed to indemnify and hold harmless the Manager, as well as its directors, officers, shareholders, employees, affiliates and agents, from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the foregoing, reasonable legal fees and expenses, arising from or in connection with any actions or omissions which the Manager takes as Manager under the Management Agreement provided that such action or omission is taken, or not taken, in good faith and without willful misconduct or gross negligence or is taken pursuant to and is in compliance with the Manager Agreements. This indemnity will survive the removal or resignation of the Manager in connection with any and all of its duties and obligations under the Manager Agreements.

2.3 Development of the Business

DAMI Mortgage Income Fund Corporation was duly incorporated pursuant to the OBCA on May 20, 2022 with the intent of accumulating funds from the sale of its Preferred Shares for the purposes of lending the funds to borrowers in Canada, secured by mortgages. The Corporation has not conducted any business, nor has it raised any funds prior to the date of this Offering Memorandum.

Mortgage Portfolio

The following tables illustrate the characteristics of the Corporation's mortgage portfolio as of June 30, 2024 in terms of mortgage rank, property type and loan-to-value. Note that the information contained in the tables below is unaudited.

	As of June 30th				
	2025				
Description	# of Loans	Value	As a %	Rate	Weighted Avg LTV
Total portfolio	10	\$1,022,000	100%	12.22%	82.57%
Second mortgage	10	\$1,022,000	100.00%	12.22%	82.57%

Description	As of June 30th		
	2025		
	# of Loans	Value	As a %
Loans on commercial properties	0	\$0	0.00%
Loans on land only	0	\$0	0%
Single-family residential	6	\$1,022,000	100.00%
Loan/value ratio 75% or less	3	\$1,022,000	100%
Loan/value ratio > 75%	3	0	0%
Average loan size		\$102,200	
Average maturity date Months		5.60	
Loan with 90 days overdue payments	0	\$0	0.00%
Amortizing loans	0	\$0	0.00%
Interest only loans	6	\$1,022,000	100.00%
Region Ontario	6	\$1,022,000	100.00%

Portfolio Performance

Financial Year Ended	Average Annualized Yield (Net of All Fees and Expenses)	Target Yield
June 30, 2025	8.34%	8%

2.4 Long Term Objectives

The Corporation's long-term objective is to provide its Shareholders with sustainable income while preserving capital for distribution or re-investment. The Corporation will seek to achieve this principal investment objective by investing in mortgages using the funds raised pursuant to this Offering. The Corporation shall invest primarily in first and second mortgages which shall be secured by the respective mortgagor's equity in real property in accordance with the strategies, policies and guidelines set out above under Section 2.2. The Corporation anticipates continuing to raise funds under this Offering for the foreseeable future and investing all available net proceeds raised in mortgages as opportunities arise for such investment. The Corporation will reinvest in mortgages with the Corporation's income received upon the mortgages becoming due. The costs related to the investment and reinvestment in mortgages is nominal and is not considered to be material. The Corporation's income will primarily consist of interest received on the loans secured by the mortgages, less any fees payable or paid, or any expenses reimbursable, to the Manager as disclosed herein and interest and fees payable with respect to any debt facilities employed to Corporation a portion of the Corporation's mortgage assets.

2.5 Short Term Objectives and How We Intend to Achieve Them

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
The Manager intends to invest all of the funds from this continuous Offering in Mortgages primarily to borrowers who provide the Corporation with Mortgages on real property located primarily in the Greater Toronto Area of the Provinces of Ontario as described above in Item 2.2 - Our Business and to provide monthly distributions to Shareholders in accordance with the Corporation's distribution policy.	The rate of growth of the Corporation's portfolio will depend primarily on consumer demand for investments in the Corporation. There is no target completion date as this Offering is on a continuous basis.	As Preferred Shares are being offering on a continuous basis funds required will depend primarily on consumer demand for investments in the Corporation.

2.6 Insufficient Funds

The funds raised by the Corporation pursuant to the Offering may not be sufficient to accomplish all of the Corporation's proposed objectives and there is no assurance that mortgage financings that suit the Corporation's Investment Policy will be available.

2.7 Material Agreements

Other than contracts entered into in the ordinary course of business, the only material agreements relating to the Corporation are:

(i) the Articles of Incorporation; (ii) the Management Agreement between DAMI and the Corporation; (iii) the Agency Agreement entered into between the Corporation and RealShare (the "**RealShare Agency Agreement**"); and (iv) the Pooling Agreement that governs the rights and responsibilities as between the Preferred Series A, Subordinated Series B Shareholders and the Subordinated Series F Shareholders.

Regarding the RealShare Agency Agreement, it is agreed that:

- 1) RealShare, as a registered Exempt Market Dealer, is acting as an Agent with respect to the Offering and interested investors may purchase their Preferred Shares through RealShare. RealShare will be responsible for fulfilling all suitability and Know-Your-Client requirements with respect to Subscribers purchasing shares via the RealShare Platform, as that term is defined herein; and
- 2) RealShare is responsible for maintaining a block-chain based digital share registry for all issued shares and issuing Class A Tokens, representing the number of shares owned by an investor and issuing all required reports to investors.

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

3.1 Compensation and Securities Held

The following chart discloses the names, municipalities of residence, positions, compensation and securities held by each of the directors and officers of the Manager and information about each person who directly, or indirectly, beneficially owns or controls 10% or more of the securities of the Manager (a "**Principal Holder**"):

Name and Municipality of Residence	Positions Held	Compensation Paid in the Most Recently Completed Financial Year and the Compensation Anticipated to be Paid in the Current Financial Year
Rounak Langhe, Durham Region	President, Chief Executive Officer effective as of June 18, 2018	Nil

3.2 Management Experience

The following table discloses the principal occupations and relevant experience of the Manager’s directors and senior officers over the past five years.

Name	Principal occupation and related experience
Rounak Langhe	<p>Rounak Langhe CFA is the founding partner and Chief Investment Officer of Durham Asset Management Inc. He has eighteen years of experience in portfolio construction, risk management, and client relationship management. He is an expert in asset-liability management, credit market functions, structured product investments, and fixed income product trading. He has maintained first quartile performance throughout his investment management career.</p> <p>Rounak has an MBA from the Tippie School of Business, University of Iowa, Iowa City USA and a Bachelor of Science from Punjab University Chandigarh, India. He holds a Chartered Investment Manger designation from the Canadian Securities Institute and a Chartered Financial Analyst designation from the CFA Institute.</p>
Andrea Chetram	<p>Andrea Chetram is a passionate business owner with over twenty years of experience in various facets of accounting, taxation, mortgages, investments, and small business startups. She is committed to delivering a strategic and focused approach with an unwavering determination to achieve results. Andrea takes pride in a reputation built on quality, service, organizational skills, and keen attention to detail. Her greatest passion is helping people grow and turn their goals into reality.</p>
Mark Jackson	<p>Mark Jackson, CFA, is a retired investment professional and senior investment executive. Over his career, he managed Canadian and U.S. institutional equity portfolios for major Canadian companies, most recently at Mackenzie Investments. Mark delivered top caliber performance and built successful teams at every organization he worked at over his career. During his 30-plus-year career, Mark founded AEGON Capital Management as well as serving on the board of a public company and two charitable organizations. Mark brings a wealth of experience to the Board of DAMI. Mark holds a Chartered Financial Analyst designation from the CFA Institute.</p>

3.3 Penalties, Sanctions and Bankruptcy

No director, officer or person holding a sufficient number of securities of the Manager to affect materially the control of the Manager has, in the last ten (10) years:

- a) been subject to any penalties or sanctions imposed by a court or by a regulatory authority;
- b) been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer;
- c) made any declaration of bankruptcy, voluntary assignment in bankruptcy or proposal under bankruptcy or insolvency legislation or been subject to any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver-manager or trustee to hold assets; or
- d) been a director, senior officer or control person of any issuer that has made any declaration of bankruptcy,

voluntary assignment in bankruptcy, proposal under bankruptcy or insolvency legislation, or been subject to any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver-manager or trustee to hold assets while the director, officer or control person was a director, officer or control person of such issuer.

3.4 Loans

As at the date of this Offering Memorandum, the Corporation does not have any debentures or loans due to or from the Corporation, its principal securityholders, or Manager or directors or management thereof.

ITEM 4 CAPITAL STRUCTURE

4.1 Authorized Capital

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Class A Preferred Shares which may be issued in series and have certain rights and privileges as determined by the Corporation's board of directors. Under this Offering, the Corporation currently offers unlimited Class A Shares comprised of two series: the (i) Preferred Series A Shares; (ii) the Subordinated Series B Shares, and the Subordinated Series F Shares.

The following table sets forth the issued and outstanding securities of the Corporation as of June 30th, 2024:

Description of Security	Series (if applicable)	Number Authorized to be Issued	Price per Security	Number Outstanding as of June 30 th , 2025
Common Shares		Unlimited	\$100.00	10
Class A Preferred Shares	Preferred Series A Shares	Limited	\$100.00	0.0
	Subordinated Series B Shares	Unlimited	\$100.00	11,030.63
	Subordinated Series F Shares	Unlimited	\$100.00	0.0

4.2 Long Term Debt Securities

The Corporation does not have any long-term debt as of the date hereof. However, any financing and the incurring of long-term indebtedness will comply with the investment restrictions of the Corporation as set forth in Item 2.8.

4.3 Prior Sales

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
October 3, 2022	Series B Preferred	6,450	\$100	\$645,000
March 31, 2023	Series B Preferred	800	\$100	\$80,000
June 30, 2023	Series B Preferred	40	\$100	\$4,000
August 31, 2023	Series B Preferred	60	\$100	\$6,000
December 29, 2023	Series B Preferred	178	\$100	\$17,800
March 3, 2024	Series B Preferred	465	\$100	\$46,500
July 7, 2024	Series B Preferred	150	\$100	\$15,000
July 31, 2024	Series B Preferred	374	\$100	\$37,400
Oct 25, 2024	Series B Preferred	87	\$100	\$8,700
Jan 24, 2025	Series B Preferred	140	\$100	\$14,000

April 29, 2025	Series B Preferred	369.5	\$100	\$36,950
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ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

General Rights of Shareholders

The Corporation is authorized to issue an unlimited number of Class A Preferred Shares in Series. An unlimited number of Subordinated Series B Shares, Subordinated Series F Shares and a limited number of Preferred Series A Shares are being offered hereby on a continuous basis to investors residing in Canada. The Corporation may not, at any time, issue Preferred Series A Shares in excess of 50% of all the issued and outstanding shares of the Subordinated Series B and Subordinated Series F Shares. **See Item 5.2 – Subscription Procedure.** Additional Classes and Series of Preferred Shares may be offered from time to time as the director(s) may determine.

Each of the Series of Shares offered in this Offering Memorandum are offered for sale and are distributed by Registered Advisor/Dealing Representatives at an offering price of \$100.00 per Share, the Subordinated Series F Shares may only be purchased through Registered Dealers. The Corporation intends to pay out as monthly dividends substantially all of its net income and net realized capital gains.

The Subordinated Series B Shares and Subordinated Series F Shares are *pari passu* to each other, meaning they have equal rights and priority in terms of dividends and liquidation preferences.

Generally, each share of a Series of Preferred Shares entitles the holder to participate amongst the other holders of that series, in accordance with their distribution rights afforded to them under that Series and the provisions of the Articles of Incorporation, with respect to all distributions of property or assets to Shareholders (except with respect to any special distribution pursuant to the Article of Incorporation).

The Corporation is currently offering three (3) Series of Preferred Shares which are available to all Canadian resident purchasers under this Offering Memorandum with the following rights and attributes:

(1) Attribution of Losses and Principal Preference Rights

For the purposes of calculating the Redemption Price:

- (a) Shareholders of Preferred Series A Shares shall enjoy Principal Preference Rights whereby in the event of a Net Decline in the Corporation's NAV below the Subscription Price, the Series NAV of the Preferred Series A Shares shall be protected by such Net Decline in the Corporation's NAV up to a maximum of 30% (the "**Protection Threshold**") calculated cumulatively, during the Corporation's Fiscal Year. Any Net Decline in the Corporation's NAV that occurs within the Protection Threshold shall be first attributed to the NAV of the Subordinated Series B Shareholders. Any Net Decline in the Corporation's NAV that exceeds the Protection Threshold shall then be attributed and shared between the Subordinated Series Shares on a *pro rata* basis during the Corporation's Fiscal Year.
- (b) For the Subordinated Series Shares, the Redemption Price per Share shall be calculated on the Series NAV of the Subordinated Series B Shares or the Subordinated Series F Shares as applicable. As described hereabove, any Net Decline in the Corporation's NAV below the Subscription Price that occurs with the Protection Threshold shall be first attributed to the NAV of the Subordinated Series Shares. Any Net Decline in the Corporation's NAV that exceeds the Protection Threshold shall then be attributed and shared between the Preferred Series A Shares and Subordinated Series Shares on a *pro rata* basis during the Corporation's Fiscal Year.

(2) Distribution Rights of the Preferred Series A Shares and the Subordinated Series Shares

Subject to the Act, and the provisions of this Offering Memorandum, the holders of the Preferred Shares shall be entitled to receive rateably, and the Corporation shall pay thereon, dividends ("**Distributions**") as and when declared by the directors out of the monies of the Corporation properly applicable to the payment of dividends. The directors may, in their discretion, declare dividends on the Preferred Shares without at the same time declaring dividends on any other Class or Series of shares

of the Corporation. No dividends on any other class of share shall be declared or paid at any time when there are outstanding declared but unpaid dividends on the Preferred Shares.

Subject to the Act and the provisions of any Offering Memorandum, with respect to Distributable Cash paid as dividends to Shareholders of that Series (except with respect to any Special Distribution):

- (a) Each Preferred Series A Shareholders shall be entitled to receive, on a *pro rata* basis, in priority to the holders of any other Class or Series of Shares, Distributable Cash, up to a maximum of FIVE (5%) percent of their Principal Amount (the “**Preferred Series A Distribution**”); and
- (b) The Subordinated Series B Shareholders and the Subordinated Series F Shareholders shall be entitled to receive all other distributions of Distributable Cash (the “**Subordinated Series Distribution**”).
- (3) Hold Period

The Preferred Series A Shares, the Subordinated Series B Shares, and the Subordinated Series F Shareholders shall be subject to a mandatory hold period whereby shareholders of such series’ will be charged an Early Redemption Fee if they redeem their securities before the prescribed Hold Period. For Shareholders of the Preferred Series A Shares who wish to redeem all or part of their shares before the mandatory hold period of six (6) months from the Subscription Date, the Manager will deduct an annualized 2% fee from the NAV of the Shareholder’s investment to be redeemed on the Redemption Date (the “Early Redemption Fee”) payable as expense to the Corporation.

For Subordinated Series Shareholders who wish to redeem all or part of their Shares before the mandatory hold period of two (2) years, the Manager will deduct: (i) an annualized 3% fee from the NAV of the Shareholder’s investment on the Redemption Date payable as an expense to the Corporation, if the Shares are redeemed within the first year from the Subscription Date; or (ii) an annualized 1% fee from the NAV of the Shareholder’s investment to be redeemed on the Redemption Date payable as an expense to the Corporation, if the Shares are redeemed in the second year after the Subscription but within the two-year anniversary from the Subscription Date. There shall be no Early Redemption Fee payable on the Subordinated Series Shares after the expiry of the two-year anniversary from the Subscription Date.

- (4) Voting

Except as provided by applicable law, the holders of Preferred Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting.

- (5) Dividend Entitlement

The holders of the Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, dividends as and when declared by the directors out of the monies of the Corporation properly applicable to the payment of dividends. The directors may, in their discretion, declare dividends on the Preferred Shares without at the same time declaring dividends on any other class of shares of the Corporation. No dividends on any other class of share shall be declared or paid at any time when there are outstanding declared but unpaid dividends on the Preferred Shares.

- (6) Dividend Policy

As a MIC, the Corporation is permitted to deduct dividends that it pays from net income. As a result, the Corporation intends to pay out as dividends substantially all of its net income and net realized capital gains every year. Amounts for dividend distributions will not be paid from the proceeds of the Offering. The Corporation intends to declare monthly dividends to holders of Preferred Shares of record on the last business day of each month (“**Distributions**”).

The amount of dividends declared may fluctuate from month to month and there can be no assurance that the Corporation will declare any dividends in any particular month or months. If the Corporation’s net income is less than the amount necessary to fund and achieve the target yields, the Corporation may not pay the full target yields. Alternatively, a special year-end dividend may be declared and paid if the Corporation’s net income exceeded monthly dividends.

It is the Corporation’s intention that dividends will be paid out of the Corporation’s mortgage portfolio income, and that no dividends will be funded by sources such as loans, share issuances or any credit facility. The payment of dividends is subject to the discretion of the directors of the Corporation to establish working capital and other reserves for the Corporation. If

the directors of the Corporation, in consultation with the Manager, determine that it would be in the best interests of the Corporation, they may reduce or suspend for any period, or altogether cease indefinitely, dividends on the Preferred Shares.

(6) Dividend Reinvestment Plan

The Corporation, subject to maintaining the status of the Corporation as a MIC under the Tax Act, maintains a dividend reinvestment plan (the “**DRIP**”). Under the DRIP, holders of Preferred Shares can reinvest dividends in additional Preferred Shares of the Corporation. The Manager administers all aspects of the DRIP. All holders of Preferred Shares are eligible to participate in the DRIP by completing an enrolment form in the form attached to the Subscription Agreement accompanying this Offering Memorandum and returning it to the Corporation (the “**Registered Participants**”). If a Shareholder wishes to participate in the DRIP, it, he or she may enroll any of their Preferred Shares in the DRIP. Dividends are calculated, paid and reinvested in Preferred Shares on a monthly basis (the “**Investment Period**”). The Corporation calculates and pays dividends on the Preferred Shares on a monthly basis within 5 days after the end of each calendar month and in any event within 90 days of its year end. The payment of a dividend, and the declaration, record and payment dates applicable to it are determined by the directors of the Corporation in its sole discretion.

Preferred Shares acquired through the DRIP are purchased at \$100.00 per Preferred Share and are issued from the treasury of the Corporation in the same class of Shares as are enrolled under the DRIP. The Corporation uses the cash dividends attributable to a Shareholder to purchase additional Preferred Shares on behalf of the Shareholder. Preferred Shares acquired through the DRIP are credited to the Shareholder’s account and physical certificates are issued to the Shareholder for all shares acquired under the DRIP. Residual cash dividends which are not used to purchase additional Preferred Shares will be credited to the account of the Shareholder. No brokerage or administration fees will be charged by the Corporation or the Manager for participation in the DRIP. A Shareholder may elect to purchase additional Preferred Shares at the same subscription price and at the same time as they acquire Preferred Shares under the DRIP. There is no minimum aggregate subscription amount under the DRIP. Shares issued under the DRIP may not be transferred or pledged and are otherwise subject to all other rights and restrictions attaching to the Preferred Shares as described in Item 5, Description of Securities Offered.

Participation in the DRIP may be terminated by a Shareholder at any time by giving written notice to the Corporation. If written notice terminating participation in the DRIP is not received by the Corporation at least five business days before the end of the Investment Period, the requested action will not be taken until after such Investment Period.

Neither the Corporation nor the Manager is liable for any act undertaken or omitted in good faith. Neither the Corporation nor the Manager can assure a profit or protect any Shareholder against a loss relating to Preferred Shares acquired or to be acquired under the DRIP.

The Corporation reserves the right to amend, suspend or terminate the DRIP at any time. In the event of any such occurrence, the Corporation will give reasonable notice in writing to all Shareholders. The Corporation and the Manager may make rules and regulations not inconsistent with the terms of the DRIP in order to improve the administration of the DRIP.

The reinvestment of dividends does not relieve a Shareholder of liability for tax on those dividends. Holders of Preferred Shares who intend to participate in the DRIP should consult their tax advisers about the tax consequences which will result from their participation in the DRIP.

(7) Termination and Liquidation of the Corporation

On the termination of the Corporation, the assets of the Corporation will be liquidated, and the proceeds distributed in the following order:

- (a) to pay the liabilities of the Corporation and to establish reserves for the contingent liabilities of the Corporation;
- (b) to pay any Management Fee owing;
- (c) to pay any Maintenance Fee owing; and
- (d) If the Corporation’s NAV is equal to 100% of the Book Value, then both the Preferred Series A Shareholders, the Subordinated Series B Shares and the Subordinated Series F Shares shall be entitled to receive the Distributable

Cash, on a *pro rata* basis until their Principal Amount is returned; OR

- (d) If the Corporation's NAV is less than 100% but more than 70% of the Book Value, then the Preferred Series A Shareholders shall be entitled to receive the first distributions of the Distributable Cash, on a *pro rata* basis, until their Principal Amount/Subscription Amount is repaid. The Subordinate Series Shareholders shall then be entitled to receive the residue of the proceeds/distributable cash on *pro rata* basis; OR

If the Corporation's NAV is less than 70% of the Book Value, the Preferred Series A Shareholders shall be entitled to receive the first 30% of Distributable Cash, on a *pro rata* basis, after which the Preferred Series A Shareholders, the Subordinated Series B Shareholders, and the Subordinated Series F Shareholders shall be entitled to share in the residue of the proceeds on a *pro rata* basis.

Calculation of Corporation's NAV

Timing of the Corporation NAV Calculation

The Manager is responsible for determining the NAV of the Corporation. The Corporation's NAV is calculated on the last Business Day of the calendar quarter; and/or any day or days as the Manager determines subject to compliance with applicable securities laws (each, a "**Corporation Valuation Date**"). The NAV per Share calculated as of the Valuation Time on any Corporation Valuation Date shall remain in effect until the Valuation Time on the next following Corporation Valuation Date. The Corporation's shares are the Class A Preferred Shares divided into the Preferred Series A Shares and the Subordinate Series B Shares. The NAV of the Corporation will be calculated in Canadian dollars. Although the purchases and redemptions of Shares are recorded on a series basis, the assets attributable to all of the series of the Corporation are pooled to create one Corporation for investment purposes.

Calculating the Corporation's NAV

The Corporation's NAV will be calculated by subtracting the aggregate amount of the Corporation's liabilities and losses from the aggregate value of the Corporation's assets. The aggregate value of the Corporation's assets on such Corporation Valuation Date is to be determined as follows:

- (a) the value of any cash or its equivalent on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, Distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Corporation on a date before the Corporation Valuation Date as of which the net asset value is being determined, and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof provided that if the Corporation or the Valuation Agent has determined that any such deposit, bill, demand note, accounts receivable, prepaid expense, Distribution, dividend or other amount received (or declared to holders of record of securities owned by the Corporation on a date before the Corporation Valuation Date as of which the net asset value is being determined, and to be received) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Corporation or the Valuation Agent determines to be the fair market value thereof;
- (b) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer in such securities or as the Corporation or Valuation Agent determines to be the fair market value;
- (c) the value of any non-mortgage debt securities will be valued by taking the average of the bid and ask prices on the date upon which the net asset value is calculated;
- (d) the value of any purchased or written clearing corporation options, options on futures or over-the-counter options, debt like securities and listed warrants shall be the current market value thereof;
- (e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Corporation Valuation Date on which the total assets are being determined as determined by the Corporation or Valuation Agent (generally such asset will be valued at cost until there is a clear indication of an increase or decrease in value). Factors to be considered in determining fair market value will include the ability of the borrower to pay interest or repay the loan, changes in the condition of the asset and the public market valuations of similar assets;

- (f) any market price reported in a currency other than Canadian dollars shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Corporation or Valuation Agent; and

the value of any security or property to which, in the opinion of the director(s) of the Corporation or Valuation Agent (in consultation with the Corporation's director(s)), the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair market value thereof determine in good faith in such manner as the Corporation or Valuation Agent, in consultation with the Manager, from time to time adopts. *Calculation of the Series NAV and the Series NAV per Share*

Although the money invested by investors to purchase Shares of any Series of the Corporation is tracked on a Series-by-Series basis in the administration records of the Corporation, the assets attributable to of all Shares will be combined into a single pool to create one portfolio for investment purposes. The Series NAV and the Series NAV per Share shall only be calculated on a case-by-case basis, if and when the Manager receives Redemption Requests for the calendar month.

Timing of Series NAV Calculation

If the Manager receives a Redemption Request, the Series NAV per Share shall be calculated on the Valuation Date by the Manager in accordance with the provisions of the Articles of Incorporation. The Series NAV per Share calculated as of the Valuation Time on any Valuation Date shall remain in effect until the Valuation Time on the next following Valuation Date.

If the Corporation's Net Asset Value is equivalent to 100% of the Book Value or less

After the initial issue of Shares of a Series, the Series NAV for a series of Shares of the Corporation as at any particular time on a Valuation Date is determined in accordance with the following calculation:

- (a) for any given Series of the Corporation, the value obtained by dividing the Corporation's NAV by the total number of issued and outstanding series of the Corporation; less
- (b) the Net Decline (if any) attributable to the particular Series in accordance with the Principal Preference Rights; less
- (c) any Series Expenses allocated to that particular series.

Redemption of Preferred Shares

Subject to the restrictions set out below and the Corporation's policy on Early Redemption Fees, each Shareholder shall be entitled to require the Corporation to request the redemption of all or any part of such Shareholder's shares (a "**Redemption Request**") the aggregate amount of which is to be calculated by multiplying the number of Shares being redeemed by the lesser of (i) the Subscription Price per share; or (ii) the Redemption Price per share for the applicable Series of Shares redeemed and calculated on such Redemption Date in the manner herein less any redemption charge or other fees determined pursuant to the Article of Incorporation, this Offering Memorandum, and other such terms and conditions as the Manager may, from time to time, determine at its discretion. Payments of redemption proceeds will be made within the time limits set out below.

Redemption Requests must be given in writing on 30 days' notice to the Manager on or before the last Business Day of the Calendar Quarter (the "**Redemption Request Deadline**"). If such requests are made by the Redemption Request Deadline, the Manager shall pay the redeeming Shareholder the Redemption Amount on the Redemption Date and upon making the required payment, the Manager shall be discharged from all liability to the Shareholder in respect of the Shares redeemed prior to the applicable Redemption Date in order for the redemption to be effective as of such date. If the Shareholder fails to submit the redemption request by the deadline above, the redemption of shares shall occur on the Redemption Date in the following month.

Subject to the above and the provisions under the "*Suspension of Redemption of Shares*" heading below, the Manager shall be entitled, at any time and from time to time, in its absolute discretion, upon providing notice in writing to the Shareholder as soon as is reasonably practicable in the circumstances before the applicable Redemption Date, to redeem or cause to be redeemed all or any part of the shares held by any Shareholder, on such terms and conditions as the Manager may, from time to time, determine, at its discretion, at the applicable Redemption Price.

If a redeeming Shareholder owns Shares of more than 1 series, shares will be redeemed on a "first in, first out" basis. Accordingly, Shares of the earliest class or series owned by the Shareholder will be redeemed first, at the Redemption Amount of such Series until such Shareholder no longer owns Shares of such series. Subject to the above and a suspension of redemptions in the circumstances set out below under "Suspension of Redemptions", the aggregate On-Demand Redemption Amount payable by the Corporation in respect of any Preferred Shares surrendered for on the Redemption Date shall be satisfied by way of a cash payment in Canadian dollars on the Redemption Date, depending on the month in which the Preferred Shares in question were tendered for redemption, provided that the entitlement of Shareholders to receive cash upon the On-Demand Redemption of their Preferred Shares is subject to the limitation that the total amount payable by the Corporation in cash in respect of Preferred Shares tendered for On-Demand Redemption in respect the same semi-annual date shall not exceed \$50,000 (provided that such limitation may be waived at the sole discretion of the Manager).

Cash payable for Redemptions will be paid *pro rata* on the basis of the Series of a Class Redemption Price to all Shareholders tendering Preferred Shares for the Redemption on the same Redemption Date. To the extent a Shareholder is not entitled to receive cash for the Redemption of Preferred Shares as a result of the Redemption Amounts payable by the Corporation exceeding \$50,000 or a suspension of redemptions in the circumstances set out below under "Suspension of Redemptions of Shares", then the balance of the Redemption Amount for such Preferred Shares shall, subject to any applicable regulatory approvals, be paid and satisfied by way of an issuance of a redemption note payable on or after 7 years from the semi-annual date the applicable Preferred Shares are tendered for Redemption.

Early Redemption Fees

The Preferred Series A Shares, the Subordinate Series B Shares and the Subordinated Series F Shares shall be subject to a mandatory hold period whereby Shareholders of such series' will be charged an Early Redemption Fee if they redeem their securities before the prescribed hold period. See **Item 5.1 Terms of Securities**.

For Shareholders of Preferred Series A Shares who wish to redeem all or part of their Shares before the mandatory hold period of six (6) months from the Subscription Date, the Manager will deduct an annualized 2% fee from the NAV of the Shareholder's investment to be redeemed on the Redemption Date (the "Early Redemption Fee") payable as expense to the Corporation.

For Shareholders of Subordinated Series B Shares and Subordinated Series F Shares who wish to redeem all or part of their Shares before the mandatory hold period of two (2) years, the Manager will deduct: (i) an annualized 3% fee from the NAV of the Shareholder's investment on the Redemption Date payable as an expense to the Corporation, if the Shares are redeemed within the first year from the Subscription Date; or (ii) an annualized 1% fee from the NAV of the Shareholder's investment to be redeemed on the Redemption Date payable as an expense to the Corporation, if the Shares are redeemed in the second year after the Subscription but within the two-year anniversary from the Subscription Date. There shall be no Early Redemption Fee payable on the Subordinated Series Shares after the expiry of the two-year anniversary from the Subscription Date.

Suspension of Redemptions of Shares

The Manager may suspend the redemption of Preferred Shares or payment of the Redemption Price when the Manager determines that conditions exist which render impractical the sale of assets of the Corporation, or which impair the ability of the Manager to determine the value of the assets of the Corporation. The Manager may also suspend the On-Demand Redemption of Preferred Shares from time to time. Additionally, the Article of Incorporation provides that if the Corporation will not redeem Shares for which Redemption Notices are given if the redemption of the aggregate number of Shares subject to Redemption Notices would result in the Corporation having the Preferred Series A Shares exceed 50% of all the issued and outstanding Subordinated Series Shares.

If redemptions are suspended, Shareholders may experience reduced liquidity or no liquidity at all. Where a redemption request is not honoured due to the suspension of redemptions, it may be made as of the first On-Demand Redemption Date or the Fair Market Value Redemption Date, as applicable, after the suspension of redemptions is lifted on a *pro rata* basis, or, subject to any applicable regulatory approvals, be paid and satisfied by way of an issuance of a redemption note payable on or after 5 years from the semi- annual date the applicable Preferred Shares are tendered for On Demand Redemption.

Distribution Policy

In accordance with the "Dividend Policy" stated hereabove, the Corporation intends to distribute all of the Net Income and

Net Capital Gains, if any, of the Corporation to the Shareholders so that the Corporation will not be liable to pay income tax pursuant to the Tax Act during any year.

The Corporation will make Distributions to the Shareholders if, as and when declared by the directors of the Corporation and in accordance with the Articles of Incorporation. The Corporation intends to make monthly Distributions to Shareholders, and at other times at the discretion of the director(s) of the Corporation. It is the intent of the Corporation to distribute 100% of Distributable Cash on a monthly basis after the Corporation has assessed the attribution of losses from the Corporation's NAV (if applicable) in accordance with this **Item 5.1 – Term of Securities**.

Priority of Fiscal Year End Distributions

After payment of all annual expenses, including the Management Fee and the Administration Fee, and less non-capital losses carried forward, if any, for the Fiscal Year and amounts previously distributed, the following distributions of Distributable Cash will be made to Shareholders in accordance with the provisions contained herein and in the Articles of Incorporation, (except with respect to any Special Distribution):

- (a) Each Preferred Series A Shareholders shall be entitled to receive, on a *pro rata* basis, in priority to the holders of any other Class or Series of Shares, Distributable Cash, up to a maximum of FIVE (5%) percent of their Principal Amount (the "**Preferred Series A Distribution**"); and
- (b) The Subordinated Series B Shareholders and the Subordinated Series F Shareholders shall be entitled to receive all other distributions of Distributable Cash (the "**Subordinated Series' Distribution**").

Additional Distributions

If the Corporation's net income for tax purposes, including net realized taxable capital gains, for any year, net of any available loss carry forwards from prior years, exceeds the aggregate amount of the regular monthly Distributions made in the year to Shareholders, the Corporation will also be required to pay one or more special Distributions (in either cash or Shares) in such year to Shareholders as is necessary to ensure that the Corporation will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). See "Income Tax Considerations for Investors".

All or part of any such additional Distribution may, at the option of the Corporation and subject to compliance with applicable securities laws and the requirements of other regulatory authorities, be satisfied by the issuance of additional Shares having a value equal to the amount of the additional Distribution not being satisfied in cash. The value of the additional Shares to be issued shall be the fair value thereof as the Corporation shall determine.

Following such issue of additional Shares on an additional Distribution Date, the outstanding Shares will be automatically consolidated on a basis such that the number of consolidated Shares (before giving effect to any redemption of Shares on such date) is equal to the number of Shares outstanding immediately preceding the additional Distribution Date, except in the case of a non- resident Shareholder if tax was required to be withheld in respect of the Distribution, in which case the consolidation will result in such Shareholder holding that number of Shares equal to (i) the number of Shares held by such Shareholder prior to the Distribution plus the number of Shares received by such Shareholder in connection with the Distribution (net of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of Shares outstanding prior to the Distribution by the aggregate number of Shares that would be outstanding following the Distribution and before the consolidation if no withholding were required in respect of any part of the Distribution payable to any Shareholder.

Payment of Distributions

Unless a Shareholder is a participant in any distribution reinvestment plan established by the Corporation from time to time, all cash Distributions payable to a Shareholder less any amount required to be withheld therefrom under applicable law, shall be paid in Canadian funds by the mailing or delivery of a cheque to each registered Shareholder or in such other manner as the Corporation determines, including but not exclusively wire payment or electronic funds transfer. Any payments so made shall, unless the cheque is not honoured on presentation, discharge the Corporation and the Corporation from all liability to the Shareholder in respect of the amount thereof plus any amount required by law to be withheld. All Distributions will be made by cheque, electronic banking or FUNDSERV Inc. It is the Corporation's intent to register the Corporation on FUNDSERV Inc.

5.2 Subscription Procedure

Preferred Shares are offered on a continuous basis under this Offering Memorandum with closings generally occurring at 4:00 pm every Friday in each calendar month (the “**Subscription Date**”) and other such dates as may be determined by the Manager from time to time. The issue price for each Share of that series of Shares, as applicable, on each subsequent Subscription Date shall be \$100.00 per Share for both the Preferred Series Shares and the Subordinated Series Shares.

The Preferred Shares are offered in the Province of Ontario pursuant to any one of the exemptions under National Instrument 45-106 from the prospectus requirements of applicable securities laws and the exemptions under National Instrument 31-103 from the registration requirements of applicable securities laws. Such exemptions relieve the Corporation from provisions under applicable securities laws requiring the Corporation to file a prospectus and therefore Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by a securities commission or similar authority. While National Instrument 45-106 provides for several different possible prospectus exemptions, the most commonly used exemptions utilized for an investment in the Preferred Shares are the “accredited investor”, “minimum amount investment” and “offering memorandum” exemptions, the terms and conditions of which are summarized below. **The current minimum investment for residents in the offering jurisdiction of Ontario, purchasing as principal, is \$5000.00. (Canadian dollars).**

Subscriptions for Preferred Shares from the public will only be accepted through registered exempt market dealers (“EMD’s”) or dealers registered with the Investment Industry Regulatory Organization of Canada or Mutual Corporation Dealer Association of Canada or other person/entity allowed to deal securities in Canada. Prospective investors who wish to subscribe for Preferred Shares must complete, execute and deliver the subscription agreement (the “**Subscription Agreement**”) that accompanies this Offering Memorandum to their dealer and tender the subscription amount by cheque, bank draft, wire order or other form of payment acceptable to the Manager for payment of the subscription amount by the Subscription Deadline.

Subscription funds provided prior to a Subscription Date and by the Subscription Deadline will be kept in a segregated account. Subscriptions for Preferred Shares are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. No subscription for Preferred Shares will be accepted from a purchaser unless the Manager is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. In the event a subscription for Preferred Shares is rejected, any subscription funds forwarded by the Subscriber will be returned without interest or deduction. Subscribers whose subscriptions for Preferred Shares have been accepted by the Manager will become Corporation Shareholders. A subscriber has the right to cancel the subscription by sending written notice before midnight of the second Business Day after a completed and signed Subscription Agreement and funds representing the subscription amount are received by the Manager. The consideration for Preferred Shares being issued will be held in trust until such time.

Purchasers will be required to make certain representations (including those noted above) in the Subscription Agreement, and the Manager and the Corporation are entitled to rely on such representations, to establish the availability of the accredited investor exemption, and the non-eligible or eligible investor exemptions from the prospectus requirements described under National Instrument 45-106 Prospectus Exemptions and National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Subscription Procedures through the RealShare Platform

Purchasers subscribing for Shares through RealShare must become an RealShare member by creating an account and registering with RealShare at www.RealShare.ca (the “**RealShare Platform**”).

RealShare members will be able to view this Offering Memorandum and any marketing materials relating to the Offering on the RealShare Platform and shall be able to access and complete their subscription forms using the RealShare Platform.

After successfully registering with the RealShare Platform, subscribers will be able to fund their “**RealShare Wallet**” or “**Wallet**” using Interac or electronic funds transfer (“**EFT**”).

If a subscription submitted via the RealShare Platform is accepted, shares will be issued and RealShare shall update the Subscriber’s account on the RealShare Platform to include a notification (the “**Confirmation Notice**”) confirming the completion of such issuance of Shares, including, but not restricted to, a statement as to the number of Shares issued to the Subscriber and the date of the issuance of the Shares.

Additional Subscriptions

Shareholders holding Preferred Shares may make additional investments of not less than \$1000.00, provided that such investors are, as at the date of such subscription, qualify for the subscription. The Manager may, in its sole discretion, permit additional investments of lesser amounts. Corporation Shareholders subscribing for additional Preferred Shares will be required to complete an additional subscription form and qualify as accredited investors under applicable securities laws.

You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of you and the Corporation. Execution and delivery of the subscription agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See Item 9 – "Risk Factors".

ITEM 6: REDEMPTION REQUESTS

For the two (2) most recently completed financial years of the Corporation, Preference Shares have been redeemed as described in the table below.

Date of end of financial year	Number of securities with outstanding retraction requests on the first day of the year	Number of securities for which investors made retraction requests during the year	Number of securities retracted during the year	Average price paid for each retracted security	Source of funds used to complete the retractions	Number of securities with outstanding retraction requests on the last day of the year
June 30, 2023	Nil	Nil	Nil	Nil	Nil	Nil
June 30, 2024	Nil	45.00	45.00	\$100	Cash on Hand	Nil
June 30, 2025	Nil	184.80	184.80	\$100	Cash on Hand	Nil

Since inception, the Corporation has honoured all redemption requests in full at a price equal to the subscription price therefor. The Corporation has not suspended, deferred or rejected any redemption requests since inception. All redemption requests have been paid, and will be paid, using cash on hand. The Corporation expects redemptions to continue approximately as they have historically since inception and does not expect that such redemptions will cause any adverse effect on its operations or the payment of dividends.

ITEM 7 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

7.1 Disclaimer

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

7.2 Summary of Significant Tax Consequences

As each individual investor has unique income and financial backgrounds, the exact nature of the income tax consequences to you, should you choose to purchase the offered securities, cannot be determined.

The Tax Act stipulates that for a corporation to qualify as a mortgage investment corporation, among other requirements, the corporation must have a minimum of 20 shareholders and no shareholder can own in excess of 25% of the total issued and outstanding shares of any class of the capital of the corporation. A minimum of 50% of the cost of the corporation's assets must be invested in residential mortgages as defined in the Tax Act include mortgages on multiple unit residential developments and deposits with Canada Deposit Insurance Corporation-insured institutions.

7.3 Eligibility for Investment

The Corporation intends to maintain its qualification as a mortgage investment corporation under the terms of the Tax Act, which would mean that its shares are an eligible investment for registered retirement savings plans and registered retirement

investment funds. However, you should consult your own professional advisers to obtain advice on the RRSP and RRIF eligibility of these securities. As a mortgage investment corporation, if it pays out all of its net income annually in the form of dividends during the year or within ninety (90) days after the end of the year, it may deduct the dividend amount paid as if it was an expense. The dividends received are not subject to usual dividend treatment in the hands of shareholders. Rather, they will be taxable in the hands of shareholders who are subject to tax as if they had received an interest payment.

Accordingly, it is anticipated that for each taxation year of the Corporation throughout which it qualifies as a mortgage investment corporation under the Tax Act, the Corporation will not be required to pay income taxes on the net earnings from which dividends are paid in each year. Income in excess of allowable deductible reserves under the Tax Act, which is not distributed to shareholders within ninety (90) days of each of the Corporation's year-ends, will be subject to ordinary corporate tax under the Tax Act.

The Corporation is making the foregoing tax disclosure, but it makes no other warranties or representations, implied or otherwise, with respect to the taxation issues.

ITEM 8 COMPENSATION PAID TO SELLERS AND FINDERS

EMD Fees

The Manager may engage other EMD's on a non-exclusive basis provided that the commissions paid do not exceed FIVE (5%) of gross proceeds in the aggregate. *Management Fee*

As compensation for its services as manager of the Corporation under the Management Agreement, DAMI will receive a management fee (a "**Management Fee**") from the Corporation of 1.25% per annum of the Series NAV of the Preferred Series A Shares and 1.25% per annum of the Series NAV of the Subordinated Series B Shares and the Subordinated Series F Shares calculated and paid monthly in arrears.

In addition to the Management Fee, the Manager will be entitled to all lender, broker, origination, commitment, renewal, extension, discharge, participation, NSF and administration fees ("**Lender/Broker Fees**") generated on the Authorized Investments it arranges and presents to the Corporation.

Under the Management Agreement, the Manager is responsible for the employment expenses of its personnel, including but not limited to, salaries, wages and the cost of employee benefit plans and temporary help expenses, expenses of the Board of Directors who are directors, officers or employees of the Manager or an affiliate of the Manager (except expenses incurred in attending meetings of Board of Directors or a committee appointed by the Board of Directors), costs associated with the sourcing and arranging of eligible investments for presentation to the Corporation, rent, telephone, utilities, office furniture and supplies, equipment and machinery and other office expenses of the Manager and miscellaneous administrative expenses relating to the performance by the Manager of its functions under the Management Agreement.

The fees payable to the Manager under the Management Agreement are commensurate with fees paid to other entities providing similar services and to the fees charged by the Manager for similar services provided to its other clients.

Currently, the Corporation has not entered into any agreements with Registered Dealer's or finders to pay any commissions or fees. However, the Manager reserves the right to do so in the future for subsequent closings. Such commission/referral fee will not exceed five percent (5%) of the gross proceeds received in connection with the sale of securities to a Subscriber referred by the Registered Dealer or finder.

RealShare Fees

Pursuant to the RealShare Agency Agreement, RealShare may be entitled to receive a commission equal to: (i) 0.5% of the aggregate value of the Preferred Series A Shares; and (ii) 1.0 % of the aggregate value of the Subordinated Series B Shares that are subscribed for by an investor where such fees are payable by the Manager.

Maintenance Fees

An annual maintenance fee equivalent to the lesser of either 0.10% per annum or \$12,000.00, where such fee shall be calculated and paid monthly by Manager to RealShare.

The Corporation will not pay any commissions to persons that the Corporation is not permitted to pay a commission. Under no circumstances will a commission/referral fee be paid under any type of dividend reinvestment plan or periodic reinvestment plan.

ITEM 9 RISK FACTORS

9.1 Investment Risk

Risks that are specific to the Preferred Shares being offered under this Offering include the following:

- a) No Market for Preferred Shares - There is no market through which the Preferred Shares may be sold, and the Corporation does not expect that any market will develop pursuant to this Offering or in the future. Accordingly, an investment in Preferred Shares should only be considered by Subscribers who do not require liquidity. The Preferred Shares are subject to onerous resale restrictions under applicable securities legislation. See Item 11 - "Resale Restrictions", regarding resale restrictions applicable to the Preferred Shares.
- b) Retraction Liquidity – The Preferred Shares are retractable, meaning that Subscribers have the right to require the Corporation to redeem them, upon appropriate advance notice from the Subscriber to the Corporation and pursuant to the terms contained in Item 5.1 – "Securities Offered – Rights Attaching to the Preferred Shares". The Preferred Shares have retraction timings, as measured from the date on which the Subscriber is issued the Preferred Shares to the date on which the Subscriber is entitled to call for their redemption by the Corporation.
The Corporation provides no assurance that any Subscriber will be able to retract any or all of their Preferred Shares at any time. Accordingly, this investment is unsuitable for those prospective Subscribers who may require liquidity.
- c) Absence of Management Rights - The Preferred Shares being sold under this Offering do not carry voting rights, and consequently a Subscriber's investment in Preferred Shares does not carry with it any right to take part in the control or management of the Corporation's business, including the election of directors.

In assessing the risks and rewards of an investment in Preferred Shares, potential Subscribers should appreciate that they are relying solely on the good faith, judgment and ability of the Manager to make appropriate decisions with respect to the management of the Corporation, and that they will be bound by the decisions of the Corporation's and the Manager's directors, officers and employees. It would be inappropriate for Subscribers unwilling to rely on these individuals to this extent to purchase Preferred Shares.

- d) Lack of Separate Legal Counsel - The Subscribers, as a group, have not been represented by separate counsel. Neither counsel for the Corporation nor counsel for the Manager purport to have acted for the Subscribers nor to have conducted any investigation or review on their behalf.
- e) No Guarantees - The Corporation is not a member of the Canada Deposit Insurance Corporation (CDIC) and as a result the Preferred Shares offered hereunder are not insured against loss through the CDIC. In addition, there is no guarantee that the Corporation will be able to pay dividends at the target rate or at all. The rate of return to shareholders will vary based on a number of factors such as economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, government policy and regulation, etc.
- f) Non-Mortgage Investments - In addition to investing in mortgages, the Corporation may invest in other investments as permitted under the Tax Act. The Tax Act requires a MIC to have at least 50% of its assets invested in houses (as defined in section 2 of the National Housing Act) or on property included within a housing project (as defined in that section), therefore the Corporation has discretion to invest in investments outside of mortgages, including but not limited to promissory notes, debentures or other such securities. The 'non-mortgage' investments may or may not be secured and may carry a greater risk than investing in mortgages.

9.2 Corporation Risk

Risks that are specific to the Corporation include the following:

- a) MIC Tax Designation - There can be no assurance that the Corporation will be able to meet the Tax Act's MIC qualifications at all material times.

As a company qualified as a MIC, the Corporation may deduct taxable dividends it pays from its income, and the normal gross-up and dividend tax credit rules will not apply to dividends paid by the Corporation on the Preferred Shares. Rather, the dividends will be taxable in the hands of shareholders as if they had received an interest payment. If for any reason the Corporation fails to maintain its MIC qualification in a particular year, the dividends paid by the Corporation on the Preferred Shares would cease to be deductible from the income of the Corporation for that year and the dividends it pays on the Preferred Shares would be subject to the normal gross-up and dividend tax credit rules. In addition, the Preferred Shares might cease to be qualified investments for trusts governed by RRSPs, deferred profit-sharing plans and registered retirement income funds, with the effect that a penalty tax would be payable by the Subscriber.

- b) Lack of Business History – The Corporation was incorporated on May 20, 2022, and consequently as of the date of this Offering Memorandum it has no history of investing in mortgages or raising funds. This lack of business history should be considered by Subscribers when purchasing Preferred Shares.
- c) Key Personnel - The operations of the Corporation and the Manager are highly dependent upon the continued support and participation of their key personnel. The loss of their services may materially affect the timing or the ability of the Corporation to implement its business plan.
- d) The Corporation's and Manager's management team consists of several key people. In order to manage the Corporation and the Manager successfully in the future, it may be necessary to further strengthen their management teams. The competition for such key personnel is intense, and there can be no assurance of success in attracting, retaining, or motivating such individuals. Failure in this regard would likely have a material adverse effect on the Corporation's business, financial condition, and results of operations.
- e) Conflict of Interest - Conflicts of interest may exist, and others may arise, between Subscribers and the directors and officers of the Manager and the Corporation and their associates and affiliates.

There is no assurance that any conflicts of interest that may arise will be resolved in a manner most favourable to Subscribers. Persons considering a purchase of Preferred Shares pursuant to this Offering must rely on the judgment and good faith of the directors, officers and employees of the Manager and the Corporation in resolving such conflicts of interest as may arise.

- f) Future Operations and Possible Need for Additional Funds - The Corporation requires significant funds to carry out its business plan. In the event the Corporation is unable to raise sufficient funds by this Offering and/or future and/or other debt or equity financing, the Corporation may have insufficient funds available to it to implement its business plan, and Subscribers may receive no return on their Preferred Shares. Certain uninsurable or uninsured events may also occur which can substantially reduce the ability of the Corporation to carry on business in a profitable manner, including natural or man-made disasters.

There can be no assurances, however, that the Corporation will generate sufficient cash flow from operations or that it will not encounter unexpected costs in connection with implementing its business plan, and as a consequence there can be no assurances that the Corporation will not require additional financing. The Corporation has no current arrangements with respect to any other additional financing, and there can be no assurance that any such additional financing can be obtained on terms acceptable to the Corporation, or at all. Failure to obtain additional financing would likely have a substantial material adverse effect on the Corporation. Moreover, in the event the Corporation were to obtain such additional financing, it could have a dilutive effect on Subscribers' participation in the revenues generated through the Corporation's operations. Also, any security granted to a creditor by the Corporation would rank ahead of the claims of any Preferred Shareholder.

9.3 Industry Risk

There are also risks faced by the Corporation because of the industry in which it operates and the current economic uncertainties. Real estate investment is subject to significant uncertainties due, among other factors, to uncertain costs of construction, development and financing, uncertainty as to the ability to obtain required licenses, permits and approvals, and fluctuating demand for developed real estate. The anticipated higher returns associated with the Corporation's Mortgages reflect the greater risks involved in making these types of loans as compared to long-term conventional mortgages. Inherent in these loans are completion risks as well as financing risks. In addition, prospective Subscribers

should take note of the following:

- a) Insurance - The Corporation's Mortgages will not usually be insured in whole or in part. Also, there are certain inherent risks in the real estate industry, some of which the Corporation may not be able to insure against or which the Corporation may elect not to insure due to the cost of such insurance. The effect of these factors cannot be accurately predicted.
- b) Priority - Financial charges for construction and other financing funded by conventional third-party lenders may rank in priority to the mortgages registered in favour of the Corporation. In the event of default by the mortgagor under any prior financial charge, the Corporation may not recover any or all of the monies advanced under foreclosure proceedings.
- c) Default - If there is default on a mortgage, it may be necessary for the Corporation, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing. In those cases, it is possible that the total amount recovered by the Corporation may be less than the total investment, resulting in a loss to the Corporation. Equity investments in real property may involve fixed costs in respect of mortgage payments, real estate taxes, and maintenance costs, which could adversely affect the Corporation's income.
- d) Yield - The yields on real estate investments, including mortgages, depend on many factors including economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, legislation, governmental regulation and tax laws. The Corporation cannot predict the effect that such factors will have on its operations.
- e) Competition - The earnings of the Corporation depend on the Corporation's ability, with the assistance of the Manager, to locate suitable opportunities for the investment and re-investment of the Corporation's funds and on the yields available from time to time on mortgages and other investments. The investment industry in which the Corporation operates is subject to a wide variety of competition from private businesses in Canada and the United States, many of whom have greater financial and technical resources than the Corporation. Such competition, as well as any future competition, may adversely affect the Corporation's success in the marketplace. There is no assurance that the Corporation will be able to successfully maintain its business plan or operate profitably. Existing competitors may have greater financial, managerial and technical resources, and name recognition than the Corporation. Competitors may reduce the interest rates they charge, resulting in a reduction of the Corporation's share of the market, reduced interest rates on loans, and reduced profit margins.
- f) Interest rates – It is anticipated that the value of the Corporation's investment portfolio at any given time may be affected by the level of interest rates prevailing at such time. The Corporation's income will consist primarily of interest payments on the mortgages comprising the Corporation's investment portfolio. If there is a decline in interest rates (as measured by the indices upon which the interest rates of the Corporation's mortgage assets are based), the Corporation may find it difficult to make a mortgage loan bearing acceptable rates. There can be no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect the operations of the Corporation.

This is a speculative Offering. In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Preferred Series A and Subordinated Series B Shares. The following is a summary only of the risk factors involved in an investment in the Shares. Prospective Subscribers should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Shares. An investment in the Corporation may not be suitable for certain investors and is not intended as a complete investment program. There is a risk that an investor may lose some of his or her investment in the Corporation. A subscription for Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Corporation.

ITEM 10 REPORTING OBLIGATIONS

The Corporation is not a 'reporting issuer' under applicable securities legislation, nor will we become a reporting issuer following the completion of the Offering. Consequently, except as specifically disclosed herein, we are not required to send you any documents on an annual or ongoing basis. Since we are not, and will not become, subject to the continuous

disclosure requirements of such securities legislation, we are not required to issue press releases or to send to you our interim and annual financial statements, management's discussion and analysis respecting such statements or annual reports.

The Manager shall provide to Corporation Shareholders such financial statements and other reports as are from time to time required by applicable securities laws. Annual audited financial statements of the Corporation are available to Corporation Shareholders upon request. Such statements are generally available within 120 days of the Corporation's fiscal year end.

The Manager shall send, or cause to be sent, to all Shareholders the information required by law for income tax purposes within the time prescribed by law.

ITEM 11 RESALE RESTRICTIONS

11.1 General

Preferred Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Preferred Shares unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation.

11.2 Resale Restrictions

Unless permitted under securities legislation, you cannot trade the Preferred Shares before the date that is four (4) months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. As the Corporation is not currently a reporting issuer in any province or territory of Canada, and does not contemplate becoming a reporting issuer, the statutory hold period could be indefinite.

ITEM 12 PURCHASER'S RIGHTS

If you purchase these securities, you will have certain rights, some of which are described below. For information about your rights, **you should consult a lawyer.**

12.1 Two Day Cancellation Right

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

12.2 Statutory Rights of Action in the Event of a Misrepresentation

The *Securities Act* (Ontario) (the "**Ontario Act**") provides investors resident in Ontario (each an "**Ontario Purchaser**") with, in addition to any other right they may have at law, rights of rescission or damages where an Offering Memorandum, together with any amendments thereto contains a misrepresentation.

In particular, section 130.1 of the Ontario Act provides that if this Offering Memorandum contains a misrepresentation, an Ontario Purchaser who purchases the Shares offered by this Offering Memorandum during the period of distribution has a right of action for damages against the Corporation or, alternatively, may elect to exercise a right of rescission against the Corporation, without regard to whether the Ontario Purchaser relied on the misrepresentation, provided that if the Ontario Purchaser exercises its right of rescission, it will not have a right of action for damages against the Corporation, and provided that:

- (a) no action will be commenced to enforce these rights more than: (i) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (ii) in the case of any action, other than an action for rescission, the earlier of: (A) 180 days after the Ontario Purchaser first had knowledge of the fact giving rise to the cause of action, or (B) three years after the date of the transaction that gave rise to the cause of action;
- (b) the Corporation will not be liable if it proves that the Ontario Purchaser purchased the Shares with knowledge of the misrepresentation;

- (c) in an action for damages, the Corporation will not be liable for all or any portion of the damages that the Corporation proves do not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and
- (d) in no case will the amount recoverable exceed the price at which the Shares were offered.

12.3 Contractual Rights of Action in the Event of a Misrepresentation

For investors resident in a jurisdiction where the securities legislation does not provide a comparable statutory right of action in the event of a misrepresentation in this Offering Memorandum as indicated above, if there is a misrepresentation in this Offering Memorandum or any information or documents incorporated or deemed to be incorporated by reference into this Offering Memorandum, then, you have a contractual right to sue the Corporation:

- (a) for rescission (to cancel your agreement to buy these securities); or
- (b) for damages.

This contractual right to sue is available to an investor whether or not the investor relied on the misrepresentation. As part of this contractual right to sue, in an action for damages, the amount an investor may recover:

- (a) must not exceed the price that the investor paid for the investor's securities;
- (b) does not include all or any part of the damages that the Corporation proves does not represent the depreciation in value of the securities resulting from the misrepresentation; and
- (c) is in addition to, and does not detract from, any other right of the investor.

The Corporation has a defence if it proves that the investor knew of the misrepresentation when the investor purchased the securities.

If the investor intends to rely on the rights described in (a) or (b) at the top of this Item 13.3, you must do so within strict time limitations. These rights are enforceable by an investor by delivering a notice to the Corporation:

- (a) in the case of an action for rescission, within 180 days after the investor signs the agreement to purchase the security; or
- (b) in the case of an action for damages, before the earlier of:
 - i. 180 days after the investor first has knowledge of the facts giving rise to the cause of action; or
 - ii. three years after the date the investor signs the agreement to purchase the security.

ITEM 13 FINANCIAL STATEMENTS

The audited financial statements of the Corporation dated June 30, 2024, are available on request.

ITEM 14: DATE AND CERTIFICATE OF THE ISSUER AND PROMOTER

Dated the 7th day of October 2025.

This Offering Memorandum does not contain a misrepresentation.

ISSUER

DAMI MORTGAGE INCOME FUND CORP

(signed) "*Rounak Langhe*"
Director and President

PROMOTER

DURHAM ASSET MANAGEMENT INC.

(signed) "*Rounak Langhe*"
Director and President

Statements made in this Offering Memorandum are those of the Corporation. No person is authorized to give any information or to make any representation in connection with this Offering other than as referred to in this Offering Memorandum, and any information or representation not referred to in this Offering Memorandum must not be relied upon as having been authorized by the Corporation.