



FUNDSCRAPER

FUNDSCRAPER CAPITAL INC. RELATIONSHIP DISCLOSURE DOCUMENT

FUNDSCRAPER CAPITAL INC.

Fundscrapper Capital Inc.

Relationship Disclosure Document

Purpose of this document

This Relationship Disclosure Document contains important information concerning our relationship with you as an Investor Client. It contains information about us, the services we provide, risks associated with the non-brokered private placements (prospectus-exempt) you might purchase from our Issuer Clients, description of your account and how it will operate and the fees associated, how we assess the suitability of a potential investment, the account reports we provide, conflicts of interest, complaint handling procedures, privacy policy, and a checklist of documents that will be provided to you prior to an order.

Fundscrapper's officers, directors, agents and employees thereof, must observe, in letter and spirit, all applicable laws and regulations.

Delivery of this Document

The Relationship Disclosure Document will be delivered to you by emailing a pdf copy or sending you to the link to our web page where it is located prior to taking our first order from you. If there is a material change to the information contained in this document, we will provide you with an updated document on a timely basis by email.

Who We Are

("Fundscrapper") is registered as an Exempt Market Dealer ("EMD") in the Provinces of British Columbia, Alberta and Ontario. Fundscrapper's primary business is to raise capital for both private and public companies who operate in the real estate sector. Fundscrapper is also registered with the Financial Services Commission of Ontario as a mortgage brokerage (license number 12859).

Fundscrapper is an online platform that facilitates

direct investments by accredited investors and other exempt market participants into real estate projects sponsored by real estate developers, investors, and owners.

As a securities registrant, Fundscrapper is obligated to make certain disclosures to its Investor Clients ("Clients" or "Investor Clients") when Clients purchase securities through Fundscrapper or are referred to Issuers or other Dealers by Fundscrapper, leading to the purchase of securities. These disclosures are provided to Clients so that they may understand the nature of their relationship with Fundscrapper and are advised of significant matters regarding their trading and investment activities through Fundscrapper.

Fundscrapper is also required, under federal privacy legislation, to make Clients aware of the Firm's policy to ensure compliance with the requirements of the legislation.

The Company is based in Toronto, Ontario, and is a registered dealer in the category of Exempt Market Dealer, and registered in the Provinces of Alberta, British Columbia and Ontario. The Ontario Securities Commission ("OSC") is its primary regulator.

Clients' Relationship with Fundscrapper and Fundscrapper's Obligations to its Clients

Fundscrapper acts as an intermediary broker for Issuer Clients and Investor Clients. However, Fundscrapper, its Dealing Representatives or its Staff may, on occasion, take an ownership interest in any financing that it facilitates other than the broker warrants that it may receive as commission. For example, Fundscrapper may provide early stage financings to Issuer Clients, may provide the lead order on a financing or may, on occasion, take on a part of a financing to facilitate the transaction. Any such participation by Fundscrapper, its Dealing Representatives or Staff is always disclosed to the Clients at the time of a Client participates in an offering.

Fundscrapper may syndicate its offerings to other registered dealers who are either Exempt Market Dealers or Investment Dealers.

Fundscrapper may also participate as a selling group member in syndications of other firms. Fundscrapper is obligated to ensure such referrals are suitable based on the financial and other information it has collected in Clients' New Account Application Form.

Fundscrapper does not purport to provide advice or guidance on its Clients' general financial needs or circumstances. Client accounts are opened solely for the purpose of transacting in issuer financings.

A negotiated commission fee is paid to Fundscrapper by an Issuer Client upon completing a financing transaction. Fundscrapper is entitled as well to be paid by the Issuer Client certain performance bonuses and other cash and non-cash considerations as disclosed and outlined in a term sheet included with an Issuer Client's subscription agreement. Fundscrapper does not generally charge a fee to clients for transactions referred to or from financial institutions or others with whom Fundscrapper has reached a prior referral agreement.

Fundscrapper does not provide trading accounts for any of its Investor Clients, nor does Fundscrapper typically have in possession or handles any of Client cash or securities. When Investor Clients subscribe for a private placement, all money and securities are directed and dealt with by the Issuer Client and/or its Legal Counsel. The purchased securities are sent directly to the Investor Client by the Issuer Client and/or its Legal Counsel.

Fundscrapper does not make recommendations when to sell securities.

Our registered representatives can explain this process to you, the investments risks, and help determine whether these investments are appropriate for you.

Risks

Fundscrapper's Issuer Clients are generally real estate managers, developers, investors or real estate funders such as mortgage investment

entities. There are extremely high risks investing in such entities where there is a potential loss of the entire investment. There is no assurance of any return on an investor's investment. A non-exhaustive summary of those risks is set out below for your consideration.

Security specific risk is the impact of events on an Issuer's profitability, future prospects and/or demand for its securities.

Inflation risk is the risk of a decline in the purchasing power of savings due to a general rise in prices.

Liquidity risk is the risk that the Client may not be able to sell its holdings on a timely basis and/or at a price near the current market price or sell its holdings at all. Securities that are sold under an exemption ("exempt security") are subject to rigorous resale rules that may result in a Client never being able to sell and recover any part of the his or her investment. As well, Fundscrapper does not believe a market through which securities can be sold exists for resale of such securities. Accordingly, an investment in exempt security should only be considered by investors who do not require liquidity.

Credit and Default risk: The Investor Client may lose money if an investment into a debt security is in default or arrears because the borrower cannot pay interest or repay principal when due.

Issuers of exempt securities generally do not have to file a prospectus. A prospectus describes the investment in detail and gives you some legal protections.

The securities could be from a non-reporting issuer. This type of issuer does not have to publish financial information or notify the public of changes in its business.

The impact of leverage

Fundscrapper neither arranges for nor recommends that Clients borrow money to invest.

Fundscrapper does not recommend using borrowed money to finance the purchase of

securities as it involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

Your Investor Client account and how its operates

Fundscrapper only offers introductory services as an Exempt Market Dealer to its Investor Clients and to its Issuer Clients that are looking to complete a Prospectus-Exempt Offering of its securities; typically via a non-brokered financing using Offering documents that include a subscription agreement and a term sheet that outline the terms and fees payable to Fundscrapper. Your registered representative is responsible for providing suitable and unbiased investment recommendations to you that meet your requirements based on the Know Your Client (KYC) information that you provided to us upon opening an account with us. You and/or your registered representative must authorize all investment decisions.

As part of being an online exempt market dealer, digital user accounts are created for each of our clients on the web based platform at the time a client completes his or her KYC information. An account is automatically created for you once you have submitted your KYC. Only after you have completed and submitted your KYC information may be able to subscribe for offerings for which you are qualified.

Once you have subscribed to a financing you will send your funds directly to the Issuer Client and/or its legal representatives, and when it closes, the Issuer Client and/or its legal representatives will deliver your securities to you as per your registration and delivery instructions.

How Fundscrapper assesses the suitability of your investments

We will assess whether a purchase of a security is suitable for you prior to making a recommendation to you. We will also assess the suitability upon notification to Fundscrapper by the Investor Client of any occurrence of a material change in your KYC information from a prior period.

If during the suitability review we identify any concerns, we may discuss them with you and may be required by our regulators to document our discussion and, if we are strongly concerned with your decision to maintain unsuitable or proceed with investment, we may refuse to execute the transaction or to terminate our relationship.

Know Your Client (KYC) Information

Your KYC information is about you, your personal circumstances and current financial situation and includes, but not limited to your:

- Age;
- Occupation;
- Annual Income: the approximate annual income of you and your spouse combined;
- Net Worth: calculated as your fixed assets and liquid assets less liability;
- Investment Objectives: – what you would like to achieve from your account; and,
- Risk Tolerance: the degree to which you are willing to accept a fluctuation in value of your investments.

Investment Knowledge/Experience

Your registered representative needs to understand your level of investment knowledge and experience in order for them to make suitable investment recommendations.

Investment knowledge and experience encompass an understanding of the characteristics of various types of securities, experience in investing in those securities, and experience holding investment in various market cycles. Your level of investment knowledge and experience may change over time. Investment knowledge and experience

levels are commonly described as follows:

- *Extensive*, you have traded in most types of investment products including knowledge of alternative investments (options, private equity, hedge funds) speculative and short selling strategies and an appreciation of the risks and rewards involved in trading these securities.
- *Moderate*, you have either traded in or have some knowledge of the basic characteristics of investment securities, as well as basic understanding of the degree of risk and reward inherent in these types of securities.
- *Limited*, you have had some investment experience but may not have a full understanding of the basic characteristics of the various types of securities and the degree of risk associated with these securities.
- *Poor/none*, you have very limited or no knowledge of the basic attributes of investment securities

Investment Objectives

Your investment objectives are subject to the risk you are able and willing to take.

Your investment objectives are to allocate the following (approximate) percentages of the assets held in your account(s) with our firm to:

Growth, your investment objective is capital growth

Speculative, you want to invest in high risk securities and/ or trading strategies

Time horizon

The investment time horizon plays an important role in setting return objectives and defining liquidity constraints. Investment time horizon should be determined by considering when you may want to access some or all of the money

invested through Fundscrapper.

When Fundscrapper assesses suitability of an order for you, we will ensure each order is in the context of your circumstances and KYC described above.

Our understanding of your KYC is critical in helping assess the suitability of investments for you.

Performance Benchmarks

Investment benchmarks are a standard against which the performance of a security, mutual fund or portfolio can be measured. Generally, broad market stock and bond indexes are used for this purpose. There are dozens of indexes that be used to gauge the performance of any given investment including the S&P/TSX Composite, the S&P 500 and the Dow Jones Industrial Average. When evaluating the performance of your investments, it is important to compare it against an appropriate benchmark. Given the importance of having the correct comparison and the diverse nature of our client portfolios, Fundscrapper will not include benchmarks to our clients.

The account reports that Fundscrapper provides

Fundscrapper is an online platform. Through its platform, Fundscrapper delivers electronic copies to each of its clients of the following:

Confirmations of a purchase

Fundscrapper will provide confirmations of security purchases to its Investor Clients that a reasonable investor would consider important about the Investor Clients relationship with the registrant as outlined in Subsection 14.12(1) of National Instrument 31-103 as prescribed by the Ontario Securities Commission.

Please review your trade confirmation as soon as you receive it.

Account statement

As an Exempt Market Dealer we are required to send an account statement per transaction with the transactional information that describes the price per security and the total value of the transaction as outlined in Subsection 14.14(4) of National Instrument 31-103 as prescribed by the Ontario Securities Commission.

Please review your account statement as soon as you receive it.

Every confirmation, statement or other communication sent by Fundscrapper shall be deemed to have been acknowledged as correct by you unless we have received written notice to the contrary within 25 days from sending.

Electronic Document Execution

As an online platform, Fundscrapper employs “digital transaction management” designed to help individuals and organizations of all sizes, industries and geographies safely and securely manage approvals, decisions, contracts, and workflows 100% digitally. By submitting your KYC and opening an account with us, you consent to receiving, signing and returning documents, where required, electronically.

“Electronic documents” include documents you may complete via web page and save on your computer or attach to e-mail. They can typically be printed out, but exist independently in an electronic form on a server or on your computer.

An “electronic signature” includes any mark, symbol, sound or process that is written, stamped, engraved, attached to or logically associated with an electronic document and executed by a person with the intent to sign. Just like you can legally “sign” a printed document by making your mark, whether that be your signature in ink or an “X,” so too you can “sign” a electronic document by making your mark, whether that be a high-tech encrypted or digital signature, or just typing your name in the signature line or space on an e-mail or document on the computer. These are all “electronic signatures.” If you sign a paper document in ink and then scan the document and save it on your computer, the image of the

signature on the stored electronic document on your computer is also an electronic signature.

One of our service provider is DocuSign®, used by over 250,000 companies, representing 100 million users in 188 countries. All document execution and delivery through DocuSign® can be done from the comfort of your own computer, laptop and/or tablet.

Conflicts of Interest

The securities laws of the Province of Ontario require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities in certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules.

These rules require dealers and investment advisers, prior to receiving an order or engaging an investor with a particular issuer, to inform them of the relevant relationship and connections with the issuer of the securities. Investors should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights, or consult with a legal adviser.

Under certain circumstances, Fundscrapper and/or Directors, Employees and Registered Representatives may deal with you in securities transactions where the Client Issuer of the securities or the other party to the transaction is related to Fundscrapper.

Since these transactions may create a conflict or the appearance of a conflict between Fundscrapper’s interests and yours, we are required by securities laws to disclose certain relevant information relating to the transactions. This statement contains a general description of the required disclosure.

The Firm and/or its directors, officers, employees and registered representatives may also participate in and take an ownership interest in the financings it facilitates, in addition to cash fees and/or broker warrants it often

receives as commission on the sale of Issuer Clients' securities. For example, Fundscrapper may participate as a finder for an Issuer, and or may provide the lead order on a financing. Any such participation is always disclosed to the Investors prior to time of purchase. Fundscrapper's participation provides Investors with assurance that Fundscrapper's interests are aligned with those of its Investors. However, this could be perceived as a potential conflict of interest, protecting the best interests of the Investor Client.

Important Concepts

A "related issuer" means a person or company that influences, or is influenced by, another person or company.

A "connected issuer" is a company that has a business relationship with Fundscrapper that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities.

An "influential security-holder" Generally, influential security-holder means a person, company or professional group that, on its own or together with its related issuers, exercises influence over an issuer by:

- being able to direct the voting of more than 20 percent of the votes to determine the directors of the issuer, or controlling or being a partner of the issuer if the issuer is a general partnership or is a general partner of the issuer if the issuer is a limited partnership; or
- being able to direct the voting of more than 10 percent of the votes to determine the directors of the issuer, and either
- being entitled to nominate at least 20 percent of the directors or having officers, directors or employees in common with and constituting at least 20 percent of the directors of the issuer or a related issuer; or
- being entitled to nominate at least 20 percent of the directors of the influential Security-holder or having officers, directors or employees in common with

and constituting at least 20 percent of the directors of the influential security-holder.

Required Disclosure

Where an investor seeks to purchase securities during a distribution of securities where the issuer is either a related issuer or a connected issuer, and where Fundscrapper has participated as a member of the selling group, whether or not Fundscrapper has advised the investor about the participation, Fundscrapper will:

- either orally or in writing inform the potential investor of the existence of the relationship prior to finalizing the subscription; and
- ensure that full, true and plain disclosure of the relationship is contained in the term sheet or other document(s) being used to purchase or describe those securities.

Complaint Handling Procedures

Who can file a complaint?

Any client or investor may submit a complaint. If the complaint is being made on behalf of another party, that person or group should be identified and evidence of authority to represent that group must be provided.

Anonymous complaints will not be accepted. However, material may be submitted confidentially to support the complaint. This information will not be shared with any third parties without the consent of the party who provided the information (unless otherwise required by regulation or law).

How to submit a complaint

Complaints must be made in writing and delivered by post, email, or fact to the Chief Compliance Officer (CCO) of Fundscrapper Capital Inc.:

Gregory M. Colford, CCO
Fundscrapper Capital Inc., 805 – 370 King Street

West, Toronto, Ontario, Canada M5V 1J9
gregory.colford@fundscraper.com

You can also reach our CCO by phone at 1 888 281 2235 x 701.

What to include in a complaint

The complaint does not need to follow a specific format. However, please provide the following details:

Your name, address, phone number, and email address.

If you are representing a complainant, provide the contact information for yourself, evidence of such representation such as a representation agreement, and information regarding the person/group that you are representing.

A brief description of the nature of the complaint.

A chronology of events that leads up to the triggering point of the complaint, background information of the complaint, and any steps taken in an attempt to resolve your complaint and/or issues given rise to your complaint.

Acknowledging receipt

Fundscraper will endeavour to acknowledge your complaint within five business days.

Appraising a complaint

The assessment and review stage may be quick or may require a detailed assessment. The CCO will review the complaint, surrounding circumstances, and determine whether will need to contact you for further information. Once we have concluded our review, we will notify you in writing within (90) calendar days of the receipt of your complaint. If the CCO is unable to respond to your complaint within the above time frame, you will be provided with a written explanation.

In the final decision letter, the CCO will provide you with a summary of your complaint, the results of his investigation, an explanation of the final decision.

If you are dissatisfied with Fundscraper's final response you have received, you may contact the following organization:

Ombudsman for Banking Services and Investment (OBSI)

Or you may choose to go to Arbitration or pursue legal action.

Privacy and Confidentiality

Your information and your business with us are kept in strict confidence. For a complete copy of our Privacy Statement (which we incorporate here by reference) visit our website at <https://www.fundscraper.com/privacy-policy>.

Checklist of Documents to be digitally provided to Investor Clients:

- Relationship Disclosure document
- Invitation email with a link to sign up and complete your KYC profile online

Contact Info:

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1 (888) 281 2235 | info@fundscraper.com