

**[NAME OF CORPORATION]**

**PRIVATE PLACEMENT TERM SHEET**

(DATE)

**Amount:** Approximately \$\_\_\_\_\_

**Purchasers:** A maximum number of \_\_\_\_\_ subscriptions will be targeted utilizing the Seed Capital, Close Friends and Business Associates and Private Company exemptions.

**Price:** \$\_\_\_\_\_ per Class "\_\_\_\_\_" Common/Preferred Share

**Minimum Average Purchase:** \$\_\_\_\_\_ per beneficial owner

**Transaction Procedure:** Private Placement utilizing the Seed Capital, Close Friends and Business Associates and the Private Company (Alberta Securities Act) exemption. Buyers will be subject to private company trading restrictions.

**Use of Proceeds:** [describe]

**Hold Period:** Buyers will be subject to private company trading restrictions and will be subject to an indefinite hold period. Management intends to pursue a liquidity option within 6 months to 2 years.

**Closing:** Initial closing anticipated before the end of \_\_\_\_\_. Subsequent closings may occur until \_\_\_\_\_ or until \$\_\_\_\_\_ is raised.

**RRSP ELIGIBLE**

## INVESTMENT STRUCTURE

The share and offering structure of the Corporation has been carefully designed to achieve three objectives:

1. generate the potential for significant shareholder return;
2. ensure the commitment of management; and
3. create incentives for management, future employees, and investors to build shareholder value.

The Corporation's management is committed to the Corporation and the future growth of the company.

**Offering:** The offering will raise up to \$\_\_\_\_\_ of equity through the sale of Common/Preferred Shares in the Corporation at a price of \$\_\_\_\_\_ per share. The placement will be made under private company exemptions, the "sophisticated investor exemption" and the "close friends and business associates" exemption (Alberta Securities Act). This will limit sales to those investors who are well known to the founders. Upon the issue being fully subscribed, there will be \_\_\_\_\_ shares outstanding.

In order to maintain private company status, the Corporation must limit the total number of shareholders to less than 50. \_\_\_\_\_ desires to maintain an average minimum investment size of \$\_\_\_\_\_ per investor. It is preferable that the total number of shareholders is kept to a minimum, with a target size of under \_\_\_\_\_.

The first closing of the offering will be made by [first closing date] with subsequent closings to occur no later than \_\_\_\_\_, or earlier once the maximum amount is raised.

**THIS IS A 3-PAGE FORM.**