

RELATIONSHIP DISCLOSURE DOCUMENT

About Red Cloud Securities Inc.:

Red Cloud Securities Inc. ("Red Cloud") is a registered Investment Dealer focused on providing unique comprehensive capital market services, securities trading, personalized investment counselling and innovative financing alternatives to institutional and retail clients. We are members of the following organizations: The Investment Industry Regulatory Organization of Canada ("IIROC") and The Canadian Investor Protection Fund ("CIPF"). You can learn more about our firm at www.redcloudsecurities.com.

Red Cloud is a Type 2 Introducing Broker ("IB") introducing broker. Our client accounts are held in a custody arrangement with our "carrying broker" ("CB"), Fidelity Clearing Canada ULC. All investments shown on our client statements are held by Fidelity Clearing Canada ULC in segregation from the accounts of other brokerage firms. Fidelity Clearing Canada ULC executes, settles and reports all of your trade activity to you and provides Red Cloud (and consequentially to you) with a contractual indemnity assuring you that the investments shown on your statements are held by them as custodian. If, under any circumstances, any trade activity for your account is not reported on a trade confirmation and your monthly statement, immediately report such omission to your Red Cloud RR since such an event is a violation of our operating policies and procedures.

Purpose of this document

This Relationship Disclosure Terms and Conditions Document sets out the essential terms and conditions to ensure a satisfactory ongoing relationship and will be provided to you at the time you open your account(s).

It contains important details about product and the services we offer and covers the following topics:

- Types of products and services to be provided
- The account relationship
- KYC information and suitability
- Conflict of Interest
- Account Activity and Reporting
- All fees, charges and costs associated with the account
- Investment Knowledge, Investment Objectives, and Risk Tolerance
- Complaint Handling Process
- Other Important Information

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.

Account Relationship and Services

We offer our clients advisory accounts. Your Investment Advisor is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional based on the KYC information that you provide to us. You (or your authorized representative) direct(s) all trading and is (are) responsible for all investment decisions in your account. It is very important that any changes to your personal circumstances are communicated to your advisor.

Account Types

- Cash Accounts (individual & corporate)
- COD/DAP Accounts (Cash on Delivery/Delivery Against Payment)
- Retirement Savings Plan Accounts;
- Retirement Income Plan Accounts;
- Tax-Free Savings Accounts;
- Registered Education Savings Plan Accounts;
- Registered Disability Savings Plan Accounts; and Joint Accounts

Commission-based accounts:

Red Cloud charges a commission for each trade made in your account, based on either a flat dollar amount or a percentage of the value of the securities purchased or sold. The commission is negotiated between you and your investment advisor before the trade is executed in your account. The commission is also disclosed on your trade confirmation. Investments purchased on your behalf may also pay us fees, such as agent's fees in respect of underwritings.

ADMINISTRATION FEE SCHEDULE

Effective February 24, 2021

Fees	Charges	Third Party
Account Transfer Out – full or partial	\$125.00	
Certificate Withdrawal from CDS	\$50.00 + third party cost	Transfer agent fee & courier cost
Certificate Deposit as defined by CDS	\$50.00 + third party costs, shipping and insurance	Transfer agent fee & courier cost
Certificate Deposit/Withdrawal to DTC	\$50.00 + third party costs	Transfer agent fee & courier cost
Certificate Deposit/Withdrawal International	\$100.00 + third party costs	Transfer agent fee & courier cost
Safekeeping	\$50.00 per security	
Foreign Exchange Transaction	\$50.00/trade	
Pre-Settlement Cheque	\$10.00	
Cheque Certification	\$25.00	
Dishonoured Payment	\$50.00	
Stop Payment [any amount or any reason]	\$25.00	
Wire Transfer Out [within Canada]	\$30.00	
Wire Transfer Out to US	\$50.00	
Wire Transfer Out to International	\$65.00	
Wire – Income from customer bank/brokerage	\$20.00	
Third Party Charges	Third party costs	
Courier Costs [Canada, US]	\$30.00 minimum	
Courier Costs [International]	Determined at time of request	
Record Searches [minimum one hour]	\$100.00/hour	
Certificate Restrictive Legend Removal	\$500.00 per event + third party costs	Transfer agent fee & courier costs, legal costs

Carrying Broker Disclosure Statement

Introducing/Carrying Broker Agreement between Red Cloud Securities Inc and, Fidelity Clearing Canada ULC “the Carrying Broker”. In general, the Carrying Broker is only responsible for those services provided at Red Cloud Securities request or direction, as outlined in the Introducing/Carrying Broker Agreement. The Carrying Broker does not control, audit or otherwise supervisor the activities of Red Cloud Securities Inc. or it's employees. The Carrying Broker does not verify information provided by Red Cloud Securities Inc. regarding account transactions entered by Red Cloud Securities Inc. on your behalf. Red Cloud Securities Inc. is, as your financial institution, responsible for servicing your securities account through its own personnel, in accordance with its own policies and applicable laws and regulations. Specifically, Red Cloud Securities Inc. is solely responsible for approving the opening and obtaining the necessary account.

Investment Performance Report

For your account(s), a monthly statement will be provided for each month there is any account activity and in any event, on a quarterly basis.

Performance reporting: quarterly, yearly and/or monthly annualized performance summaries will be available on request. We will send you a performance report on your account every 12 months on a calendar year basis. This annual performance report will include your annualized returns over one, three, five and ten year periods from the time your account was opened. The provision of account percentage return information is available to you upon request.

The report will indicate the performance of each of your accounts, net of the fees you have paid.

Performance reporting is not available for COD/DAP accounts.

Fees and Compensation Report

A Fees and Compensation Report will be sent annually. The report will help you understand the fees you paid to us as well as the amounts we have received for servicing your account. All amounts displayed are in the currency of the account.

How Red Cloud assesses the suitability of your investments

IIROC member firms are required to complete suitability assessment and use due diligence to evaluate the suitability of any order the firm accepts or recommendation the firm makes based on factors including a client's financial circumstances, investment knowledge, investment objectives, risk tolerance, time horizon, the complexity of the securities involved and specific experience of the client with the type of instrument under consideration

We will assess the suitability of investments in your accounts whenever:

- (a) A trade is accepted,
- (b) A recommendation is made,
- (c) Securities transferred or deposited into the account,
- (d) There is a change in the registered representative or portfolio manager responsible for the account, or
- (e) There is a material change to the client's "Know Your Client" information

If during the suitability review, we identify any concerns or a discrepancy between the KYC information and the investments we will discuss them with you and update your KYC account information.

In order to ensure that the holdings in your accounts are suitable for you as time passes, we will review the suitability of your investments in your accounts on an annual basis and when required to one of the reasons described above.

We do not automatically review the suitability of the investments in your account(s) when there are significant market fluctuations.

Your Investment Advisor is prepared to discuss with you the effect of market fluctuations on your portfolio when you request it.

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;

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.



We will explain in more detail these concepts: Investment Knowledge/Experience, Investment Objectives, Investment Time Horizon and Risk Tolerance.

Investment Knowledge/Experience

Your investment advisor needs to understand your level of investment knowledge and experience in order for him 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 described as follows:

Sophisticated

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.

Good

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

The investments in your account should be consistent with your investment objectives. Investment Objectives are classified and documented as being income-related, growth-orientated, aggressive growth oriented or balanced (a combination of income and growth/aggressive growth) Information will be requested on the primary purpose of each account, which include generating income for current or future expenses; partially fund retirement; fully fund retirement; fund a major purchase; preserve wealth and pass it on to heirs; pay for children's education or market speculation.

You can choose to have specific investment objectives and risk tolerance for each account held at Red Cloud.

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 will need to access some or all of the money in your accounts. It should be indicated by one of the following ranges: Within one year; One to three years; Three to five years; Five to ten years; More than ten years

When Red Cloud recommends an order to you or accepts an order from you or your legal representative, we will review each order or strategy in the context of your KYC described above. Our understanding of your KYC is critical in helping us in recommending the proper assets allocation for your account(s).

Confirmations

We will provide you with written trade confirmations of the details of every purchase and sale in your accounts by mail on the day the transactions are completed. Please review your trade confirmation as soon as you receive it.

Account statements

We will mail you a statement for the month of March, June, September and December and for any month in which a transaction has occurred in your account. Every confirmation, statement or other communication sent by our carrying broker and Red Cloud shall be deemed to have been acknowledged as correct by you unless we have received written notice to the contrary within 25 days of month end.

Performance Benchmarks

Investment benchmarks provide a broad measure of the return generated by specific asset classes over a given period.

Investment benchmarks are a standard against which the performance of a security 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.

For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indices weighed according to the portfolio's asset mix. For more information about comparing your portfolio's return to a benchmark, please don't hesitate to contact your Investment Advisor.

Given the importance of having the correct comparison and the diverse nature of our client accounts, Red Cloud will not include benchmarks on the monthly statements we send to our clients.

We may offer our services to the issuers on a "best efforts basis" where we do not guarantee the issuer that we will sell any amount of such securities to our clients. In this scenario, our commission is based on the units sold.

Conflict of Interest

Red Cloud Securities Inc has structured its business with the intention of avoiding conflicts with its clients. In addition to our objective to serve your financial goals in alignment with our business interests, we are subject to comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators ("CSA") and Investment Industry Regulatory Organization of Canada ("IIROC") for more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

The general types of conflicts of interest which can arise are:

- Conflicts of interest between you and us;
- Conflicts of interest between you and our other clients; and
- Conflicts of interest between us and our related and associated companies.

Red Cloud Securities Inc. policies and procedures require full disclosure for potential Conflict of Interest situations.

Management of Conflicts of Interest

Under IIROC's rules all existing or potential material conflicts of interest between a Dealer Member and a client must be addressed "in a fair, equitable and transparent manner, and considering the best interest of the client or clients".

In general, we deal with and manage relevant conflicts in one of the following manners:

Avoidance: This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.

Control: We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information.

Disclosure: By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions we take.

Existing and potential material conflict of interest situations, where not avoided, will be disclosed to you as they arise.

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. Despite that, we believe the simplest control is the most effective - your continued satisfaction and patronage. If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, you should never hesitate to say so and ask your advisor for an explanation and more information.

We document our core values and standards, including general standards for how we deal with conflicts of interest. This is summarized in the table below.

Possible Conflicts and How They Are Managed

Conflict of Interest	Address By	How Conflicts Will Be Addressed
Ongoing Conflict of Interest		
We earn compensation by selling products and services to you for which you pay us.	Disclose/ Control	We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying.
	Control	We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
	Avoid	We may choose not to offer a complex product that carries a high commission.
We may sell you securities of companies that are related or connected to us.	Disclose	We are required by regulation to disclose this when we make a recommendation to you. We inform you whether a transaction involved a related or connected security on the trade confirmation.
	Control	Our advisors receive the same commission compensation regardless of the product originator.

<p>We are paid by issuers of securities when we advise on or underwrite a new issue which we may recommend to you.</p> <p>When we advise on or underwrite a new issue, we are acting for the issuer that wants to obtain the highest price while recommending the investment to purchasers who are interested in obtaining the lowest price.</p>	Control	We have structurally segregated our institutional corporate finance and retail advisory businesses, which prevents the sharing of non-public information by our institutional corporate finance business (with the relationship with the issuer) with our retail and institutional advisory businesses (with the relationship with clients like you).
	Disclose	The offering documents provide full disclosure of all relationships we may have with the issuer.
<p>If you hold an applicable security, we may be paid by issuers, offerors or others to solicit your proxy or vote in their favour with respect to takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions.</p>	Disclose	Securities regulations require specific disclosure of such arrangements and the compensation we will receive in documents such as information circulars, takeover bid circulars and issuer bid circulars.
<p>As a result of business relationships with issuers of securities, we may be exposed to non-public information that we cannot disclose.</p>	Control	We operate our corporate finance and retail and institutional advisory business separately so that such information is tightly controlled and not shared by corporate finance with our retail and institutional advisory businesses.
		Our internal information barriers are designed to ensure regulatory requirements are complied with and retail advisory employees do not have access to any nonpublic information that may be available to our corporate finance businesses.
<p>We may have access to commercially sensitive or inside information.</p>	Avoid/ Control	We may decline to provide a service to avoid insider trading provision in securities legislation. We have specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions.
<p>We provide investment research on securities of companies that may have other business relationships with us.</p>	Control	<p>We have and follow written procedures under IIROC regulations that govern the distribution of research.</p> <p>Our research and recommendations are subject to extensive and detailed regulatory requirements and internal standards.</p>

<p>We may permit certain individuals who are registered with us (including your investment advisor) to be employed by, participate in, or accept compensation from other persons or firms, outside the scope of his/her relationship with us.</p>	<p>Control</p>	<p>Your advisor or representative must declare and have approved by us any such private investments before they are made.</p> <p>Your advisor must declare any outside business activities to the firm. These activities, in particular those activities involving publicly traded companies, are reviewed for real or potential conflicts and approved by the firm.</p>
<p>Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account.</p>	<p>Avoid -</p>	<p>Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm.</p>
	<p>Control</p>	<p>When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of outside business activities.</p>

Account Opening Documents provided:

- New Client Application Form
- Client Agreement
- Relationship Disclosure Document
- Conflict of Interest Statement
- Electronic Funds Transfers Documentation
- Administration Fee Schedule
- Introducing/Carrying Broker Disclosure
- Terms & Conditions
- Agent for Service Information

Complaint Handling Procedures

Written client complaints can be submitted by mail to the Chief Compliance Officer (CCO) of Red Cloud Securities Inc. 120 Adelaide St. West, Suite 1400, Toronto, Ontario M5H 1P9

The CCO will send you an acknowledgment letter within five business days of the receipt of your complaint. In this acknowledgement letter, the CCO may request additional information in order to investigate your complaint. We provide you with a copy of IIROC's brochure, "Making a Complaint: A guide for investors", which summarizes the firm's requirements for responding to investor complaints.



In his/her final decision letter, the CCO will provide you with a summary of your complaint, the results of his/her investigation, an explanation of his/her final decision, and the other options you may have for seeking compensation.

If you are dissatisfied with Red Cloud's final response you have received, you may contact the following organizations: Ombudsman for Banking Services and Investment (OBSI) and The Investment Industry Regulatory Organization of Canada (IIROC). Or you may choose to go to Arbitration or pursue legal action.

Account Protection

The safety and protection of your assets are of utmost importance. Red Cloud Securities Inc is a member firm of the Canadian Investor Protection Fund (CIPF). Customers accounts are protected for losses arising from the insolvency of a member firm, for the cash and security assets in the account up to \$1,000,000. Note that registered accounts are treated as separate accounts.

CIPF does not cover customers losses which result from fluctuating market values, product suitability, or insolvency of an actual security in an account regardless of the cause of such losses.

Details of these limits can be found at www.cipf.ca.