

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to Class A convertible preferred shares (the “**Preferred Shares**”) and common shares (the “**Common Shares**”) of Mainstreet Health Investments Inc. (the “**Company**”).

The Company’s registered office is located at 700 W Georgia Street, 25th Floor, Vancouver, British Columbia V7Y 1B3 and its head office is located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The transaction took place by way of a private transaction (and not through the facilities of the Toronto Stock Exchange (“**TSX**”).

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Magnetar Financial LLC (“**Magnetar**”) is the investment manager of each of Magnetar Constellation Master Fund, Ltd, Magnetar Xing He Master Fund Ltd, Magnetar Andromeda Select Master Fund Ltd, Magnetar Constellation Master Fund V Ltd and Magnetar Constellation Fund II, Ltd (collectively, the “**Magnetar Funds**”) and of each of Magnetar Constellation Master Fund IV, Ltd, Magnetar SC Fund Ltd and Magnetar Structured Credit Fund, LP (collectively, the “**Other Magnetar Funds**”) and in such capacity has discretionary investment management authority over the investment portfolio of each fund and has control or direction over the securities held by each of them.

The address of Magnetar is as follows:

Magnetar Financial LLC
1603 Orrington Avenue, Suite 1300
Evanston IL 60201 USA

The address of each of the Magnetar Funds and Other Magnetar Funds is as follows:

c/o Magnetar Financial LLC
1603 Orrington Avenue, Suite 1300
Evanston IL 60201 USA

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 22, 2017, each of the Magnetar Funds entered into a subscription agreement (collectively, the “**Subscription Agreements**”) with the Company in respect of the issuance to the Magnetar Funds of Preferred Shares (the “**Private Placement**”).

Pursuant to the Subscription Agreements, the Private Placement is being funded in two tranches. The first tranche closed on December 22, 2017 resulting in the issuance of

2,802,009 Series 1 Preferred Shares (the “**Initial Subscription**”), at a price of US\$9.4575 per Preferred Share (representing approximately C\$12.0668), for an aggregate purchase price and gross proceeds to the Company of approximately US\$26,500,000 (representing approximately C\$33,811,350). The second tranche of the Private Placement, which would result in the issuance of 2,907,745 Preferred Shares (the “**Second Subscription**”), at a price of US\$9.4575 per Preferred Share (representing approximately C\$12.0668), for an aggregate purchase price and gross proceeds to the Company of approximately US\$27,500,000 (representing approximately C\$35,087,250), is subject to approval of the Company’s shareholders under the rules of the TSX and other customary closing conditions.

The Preferred Shares are non-voting and are initially convertible into Common Shares on a one-for-one basis at the option of the holder based on an initial liquidation preference of US\$9.75 and a conversion price of US\$9.75. The liquidation preference of the Preferred Shares will accrete at a rate of 5.65% per annum, compounded quarterly, increasing the number of Common Shares into which each Preferred Share is convertible, and is subject to further adjustments in certain circumstances. In certain circumstances, the Company may redeem the Preferred Shares for an amount equal to their liquidation preference and may also require the conversion of the Preferred Shares. If any Preferred Shares are redeemed or mandatorily converted in the first year following issuance, the liquidation preference of such Preferred Shares will be increased by an amount equal to 4.00% of the initial liquidation preference. This percentage increase in the liquidation preference will be reduced by 1% per year in respect of redemptions or mandatory conversions in the second, third and fourth years following issuance.

2.3 State the names of any joint actors.

Magnetar and the Magnetar Funds may be deemed to be joint actors.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

Pursuant to the Subscription Agreements, on December 22, 2017, the Magnetar Funds acquired 2,802,009 Preferred Shares on the terms and conditions set forth therein, representing all of the issued and outstanding Preferred Shares. Assuming the voluntary conversion by the Magnetar Funds, as of the closing date of the Initial Subscription, of all of the Preferred Shares they acquired, Magnetar, together with the Magnetar Funds and Other Magnetar Funds, would own and have control over 2,802,009 additional Common Shares, representing approximately 7.97% of the outstanding Common Shares immediately following the Initial Subscription. See item 3.4.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See item 3.4.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Initial Subscription, Magnetar and the Magnetar Funds and Other Magnetar Funds owned and exercised control over 13,190,383 Common Shares, representing approximately 40.78% of the issued and outstanding Common Shares. Magnetar and the Magnetar Funds and Other Magnetar Funds did not own any preferred shares of the Company at such time.

Following the Initial Subscription, Magnetar and the Magnetar Funds and Other Magnetar Funds own and exercise control over (i) 13,190,383 Common Shares, representing approximately 40.78% of the issued and outstanding Common Shares, and (ii) 2,802,009 Preferred Shares, representing all of the issued and outstanding Preferred Shares. Assuming the voluntary conversion by the Magnetar Funds, as of the closing date of the Initial Subscription, of all of the Preferred Shares they acquired, Magnetar, together with the Magnetar Funds and Other Magnetar Funds, would own and have control over an aggregate of 15,992,392 Common Shares, representing approximately 45.50% of the outstanding Common Shares.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.4.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8** If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable. See item 2.2 and item 6 in respect of the Second Subscription.

Item 4 - Consideration Paid

- 4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

See item 2.2.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 2.2.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The Preferred Shares were acquired for investment purposes, and in the future, Magnetar and the Magnetar Funds may discuss with management and/or the board of directors of the Company business transactions and other opportunities and may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of the Company, in such manner as they deem advisable, depending on market and other conditions.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Subscription Agreements provide that the Second Subscription is subject to approval of the Company's shareholders under the rules of the TSX and other customary closing conditions. The Second Subscription is expected to occur in the first quarter of 2018. The Subscription Agreements contain customary representations, warranties and covenants of the Company and the Magnetar Funds, and the parties have agreed to indemnify each other against various losses in certain circumstances.

Concurrently with the Initial Subscription, the Company and the Magnetar Funds have entered into a registration rights agreement pursuant to which the Company has granted Magnetar certain customary demand and "piggy back" registration rights in respect of the Common Shares held by the Magnetar Funds and their affiliates, including Common Shares that may be issued upon the conversion of Preferred Shares.

Item 7 - Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 - Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

December 22, 2017
Date

/s/ Diana Fitzgerald
Signature

Diana Fitzgerald, Deputy Chief Financial Officer
Name/Title