



SolAeroMed Inc.
Unit 2, Research Transition Facility
3535 Research Road N.W.
Calgary, AB, T2L 2K8

Email: info@solaeromed.com

SolAeroMed Newsletter #8 Dec 31 2013

Dear SAMi shareholders

As 2013 draws to a close, I write to update you on evolving developments at SolAeroMed Inc.

Clinical Development: We are ready to start our first in human Phase I trial of our asthma drug S1226, and await confirmation on a trial start date in Q1 2014. We had hoped to have started last month, but have been delayed by unforeseen issues around purity of the S1226 perflubron drug supply. This glitch is now resolved to our benefit as we now have secured uniquely packed unit dose 3mL sterile filled vials of USP perflubron in sufficient quantities (1,000 doses) to support our foreseeable Phase I & IIa S1226 Clinical trials.

Finances: We have raised funds and now possess sufficient resources to support Phase I and initial Phase IIa clinical development of S1226, as well as being able to support current and new patents and provide operational support for both S1226 & S1229. We continue to operate with a low financial burn allowing us to focus our resources to support core development work. However, acquiring further funding is sought to better support R&D and IP issues. Shareholders will be aware that this fall, SolAeroMed had engaged Macquarie Private Wealth (since acquired by Richardson GMP) to raise additional capital for the company through a private placement of shares on a best efforts basis. Richardson GMP have informed us that they encountered insufficient demand due to 'challenging conditions in the Canadian private placement market' to justify proceeding with a private transaction at the time. Their view was that SolAeroMed Inc has sufficient funds to meet foreseeable clinical development plans and we will be exploring alternative financing sources in 2014.

Board and Management: Our Board remains actively engaged in SolAeroMed developments. The board was recently strengthened with the addition of Phyllis Kane to provide further guidance on funding and governance. SolAeroMed plans to evolve financial management in 2014. Gareth Lewis (MBA) will join SolAeroMed as new CFO and provide fresh perspectives on Business Development as well as Financial management. Dr Joe Tucker (former CFO) recently moved to

the Boston area where amongst other work he will be better placed explore US-based private funding for SolAeroMed and to promote potential pharma partnerships. This fall also saw departure of several staff members. Elaine Chau has moved to Winnipeg for personal reasons. Carolyn Graham and David Nelson have both been accepted full-time to Medical School at Uof C. Earlier in the year Dr Tamer El Mays obtained a FT residency in family medicine at U of C Foothills Hospital site. All these individuals played important roles in the pre-clinical science and business development of SolAeroMed and all will be missed.

Our work in 2014 takes towards a new path focusing on clinical (i.e. human) development of S1226. We are well placed to face up to the challenges having developed strong partnerships with OriGen (perflubron supply and support), PraxAir (custom medical gas supply), WestMed (proprietary nebulizer delivery device supply), PharmaMedica (Phase I clinical trial CRO), K'Prime (bioanalytical support) and our consultants. In particular SolAeroMed management recognizes the contributions made by Tirtho Uppal who has led regulatory management of S1226.

We will continue to update shareholders with these occasional newsletters as well as through www.solaeromed.com.

On behalf of all at SolAeroMed, I wish you a restful holiday and health and happiness in the New Year.

Sincerely

John Dennis, PhD
CEO, SolAeroMed