



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

Email: info@solaeromed.com

SolAeroMed Shareholder Newsletter October 3, 2016

Hello SolAeroMed Shareholders

SolAeroMed has continued its clinical and corporate development over the summer months and now into the fall. We continue to seek investment capital as well as a development partner. This is a challenging stage of development for SolAeroMed, as it is for most biotech start-ups moving from friends and family investment to institutional investment.

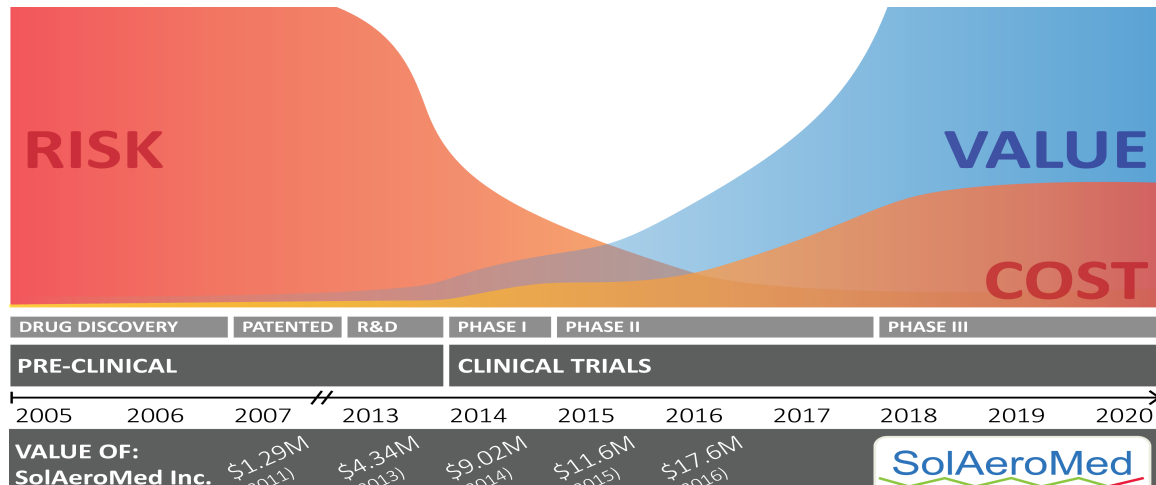
As an update to shareholders I can share some non-confidential outcomes from our work over the summer months:

- Presented and promoted our drug technology research and development at international conferences including the ATS (Denver), ERS (London UK), and USA Military Symposium (Orlando). Details of our presentations at these meetings are [available on our web site](#).
- Attended a biotechnology partnership event in San Francisco. This initiated new partnership discussions with established respiratory pharmaceutical companies.
- Received news from the US Patent office that our patent application related to our 2nd drug technology, S1229, to treat dysfunctional surfactant has been accepted. This patent enables us to control use of all inhaled cyclodextrins to treat a variety of airway diseases including [Cystic Fibrosis](#), Acute Lung Injury and Acute Respiratory Distress Syndrome.
- Drafted a formal Orphan Drug application for submission to the US FDA around our S1229 drug technology in Cystic Fibrosis. This application is currently under 3rd party review. Having official FDA orphan drug designation for S1229 will promote partner negotiations.
- Held our F2016 SolAeroMed AGM in Calgary June 21.
- Prepared journal research papers on both our S1226 Phase II clinical trials as well as research advancements around S1229 drug technologies. When published, these papers will promote our story to the international community.
- Leveraged our research grants to hire a full time post-doc, Dr Mustafa Al-Saiedy, to further advance our S1229 drug technology.
- Taken on [Dr Bruce Montgomery](#) as a strategic advisor. Dr Montgomery is an internationally known MD scientist and senior international figure in respiratory drug development including Cystic Fibrosis.

- Revised our SolAeroMed business plan with summaries of our drug development progress, intellectual property, and updated market analysis of projected revenue of S1226 in both Asthma and COPD. Interested shareholders may receive a copy of our business plan upon request.

In the coming months SolAeroMed management will be continuing too progress our drug technologies and corporate development. We have ongoing active partnership discussions with respiratory drug companies. We continue to actively explore strategic investments with Venture Capitalists. Meanwhile, we continue to progress low cost developments including submission of an S1229 Orphan Drug Application in Cystic Fibrosis.

These are challenging times for SolAeroMed. On the one hand we have advanced our lead S1226 drug through proof of concept Phase II clinical trials, and can promote our story with support of strong patents and low projected development risk and costs in large markets with compelling investment returns. On the other hand, we require strategic investment and/or partnership to meaningfully progress further clinical trials. We believe SolAeroMed to be an attractive proposition for license, acquisition, or Venture Capital funding, and believe it is just a matter of effort, opportunity and time before we find the right partner. The graphic below summarizes the dynamic relationship between Development Risk, Costs and Value over time.



We currently seek further investment in SolAeroMed. Our share price heading into negotiations remains at \$7.50/share with an overall \$17M valuation.

Please contact me directly if you have any questions. We will continue to keep shareholders informed through newsletters as well as our web site.

Dr John Dennis, PhD
CEO SolAeroMed Inc

www.solaeromed.com

