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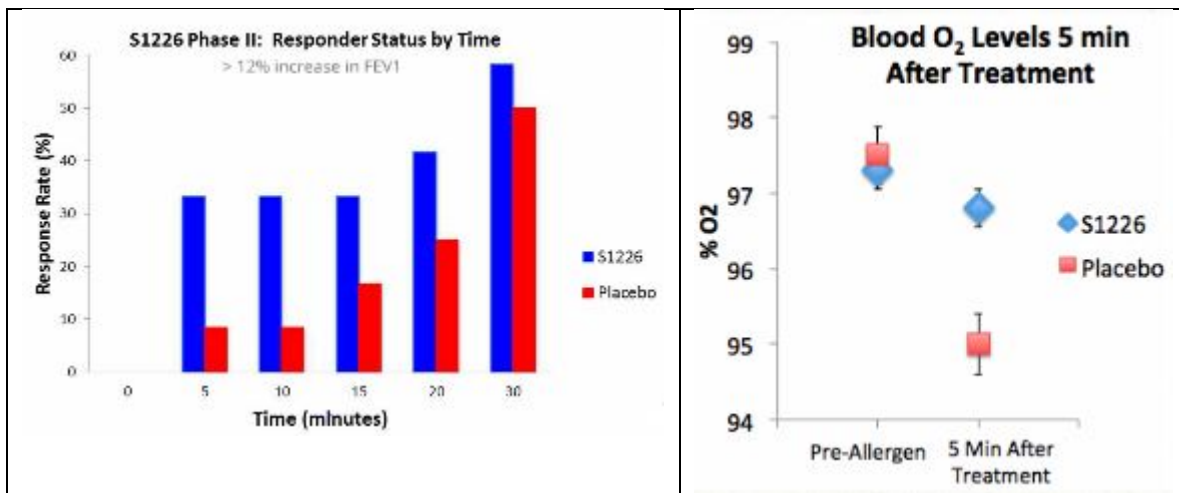
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SolAeroMed Shareholder Newsletter May 24 2016

Hello SolAeroMed Shareholders

I write to invite you to our AGM scheduled at 4-6pm June 21st at our offices (3535 Research Rd, Calgary NW). An [AGM Agenda](#) and updated meeting information will be shared in advance of the AGM. We intend to quickly work through the formal AGM including presenting of our year end financials, vote to confirm to Board, etc. We'll then close the formal AGM and after a brief break for refreshments move on to share news around our drug and device technologies. Please attend in person if you can? For those who can't join in person, we will also [support teleconference](#).

We have now fully completed our Phase IIa clinical study report for our lead asthma drug, S1226. The formal report confirms earlier news of proof of concept for both safety of S1226 in mild asthmatics, as well as proof that S1226 works to dilate constricted airways. Though a small 'Proof of Concept' study, statistical significance was confirmed in two indicators of efficacy (see below) in Lung Function improvement (FEV1) over Time, as well as statistical significance in improvement in oxygenation (SpO2) of capillary blood with S1226 treatment.



We are confident that the strength of the efficacy signal can be increased in future trials by: increasing %CO₂ and/or lengthening treatment time and/or use of a face mask to better turn on upper respiratory receptors. We believe we have in hand a new respiratory drug, with a new mechanism of action, and a compelling market.

With the results of our S1226 Phase IIa trial in hand, we have been able to outline a clinical development plan for S1226. In addition to emergency treatment for Asthma, this plan also supports development of S1226 for other diseases including Cystic Fibrosis (CF) and Chronic Obstructive Pulmonary Disease (COPD).

We are having constructive discussions with strategic partners around licensing and co-development of S1226 for treatment of respiratory disease. We ask for your patience while we progress negotiations and trust shareholders appreciate the sensitive nature of these discussions. We will share what information we can in an informal information session following our AGM June 21st.

Our other drug and device technologies are progressing in the background. For example, we are applying for orphan drug designation for S1229. S1229 is being developed to remove unwanted cholesterol and other compounds to repair dysfunctional lung surfactant. We believe S1229 will treat a range of diseases, including Cystic Fibrosis, and this qualifies it as an orphan drug. Obtaining orphan drug status can lower cost and accelerate clinical development of S1229.

SolAeroMed is in an interesting and challenging time in our development. Since our inception we have raised sufficient funds through investment from family, friends and close colleagues (leveraged by grant funding) to advance our technologies to a point where we now can attract strategic partnerships leading to exit strategies. As we negotiate our exit strategies, we must continue to raise funds to support ongoing negotiations, background development of our pipeline technologies and support ongoing operations. I share a [slide deck](#) here which contains a brief summary of company history, technologies, and details around our Phase IIa results. The slides also present our current finance raise of \$1M.

Please contact us if you have interest in further investment. Our current SolAeroMed share price heading into negotiations is \$7.50/share with an overall \$17M valuation.

Please contact me directly if you have any questions and we look forward to seeing you June 21st at our AGM.

Dr John Dennis, PhD
CEO SolAeroMed Inc

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