*This supplement dated July 4, 2022 to the Confidential Offering Memorandum dated January, 2019 (collectively, the "**Offering Memorandum**") constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of securities.* ***No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities offered hereby, and any representation to the contrary is an offence.***

The Offering Memorandum is personal to each prospective purchaser and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Partnership Units. Distribution of the Offering Memorandum to any person other than the prospective purchaser and any person retained to advise such prospective purchaser with respect to its purchase is unauthorized, and any disclosure of any of its contents without the Manager's prior written consent is prohibited. Each prospective purchaser, by accepting delivery of the Offering Memorandum, agrees to the foregoing and will make no photocopies of the Offering Memorandum or any documents referred to in, or incorporated into, the Offering Memorandum.

Continuous Offering

POLAR MICRO-CAP FUND II L.P.

SUPPLEMENT TO CONFIDENTIAL OFFERING MEMORANDUM

The information herein provides certain additional information and supplements the Confidential Offering Memorandum of Polar Micro-Cap Fund II L.P. (the "**Partnership**"), dated January, 2019, as amended (the "**Offering Memorandum**") and as it may be further amended or supplemented from time to time. The Partnership is a limited partnership established under the laws of Ontario and governed pursuant to an amended and restated partnership agreement dated as of July 1, 2022 (as the same may be amended, supplemented or amended and restated from time to time, the "**Partnership Agreement**"). The policies and objectives of the Partnership are described in the Offering Memorandum.

The Partnership is offering an unlimited number of class A limited partnership units and class F limited partnership units of the Partnership (together, the "**Partnership Units**") issuable in series on a continuous basis under the Offering Memorandum pursuant to exemptions from the prospectus requirements of applicable securities legislation (the "**Offering**") including to "accredited investors" (as such term is defined in the *Securities Act* (Ontario) or National Instrument 45-106 – *Prospectus Exemptions*, as applicable) resident in, or otherwise subject to the securities laws of, any province or territory of Canada (the "**Offering Jurisdictions**"). The Partnership Units are not eligible for purchase by and are not being offered to Non-Residents (as defined herein). See "Details of the Offering".

All capitalized terms used and not defined herein have the meaning set out in the Confidential Offering Memorandum. The information set out in this Supplement modifies the information in the Confidential Offering Memorandum and the Confidential Offering Memorandum should be read subject to this additional information.

If there is a misrepresentation in the Offering Memorandum, purchasers resident in the Offering Jurisdictions may, in certain circumstances, be provided with a remedy for rescission or damages. See "Purchasers' Rights of Action for Damages and Rescission".

All Partnership Units purchased pursuant to the Offering Memorandum are subject to restrictions on resale unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained pursuant to applicable securities laws. Therefore, all potential purchasers under this Offering should consult with their legal advisors prior to seeking to sell or otherwise transfer any Partnership Units purchased hereunder. As there is no market for the Partnership Units, it may be difficult or even impossible for a Limited Partner to sell such Partnership Units. However, Partnership Units may be redeemed in accordance with the provisions of the Offering Memorandum.

Potential purchasers should carefully review the Section entitled "Risk Factors" in the Offering Memorandum before making any decision to invest in the Partnership Units.

July 4, 2022

SUPPLEMENT TO THE CONFIDENTIAL OFFERING MEMORANDUM

This supplement (this "**Supplement"**) forms part of, and is to be read in conjunction with, the Confidential Offering Memorandum dated January, 2019 of Polar Micro-Cap Fund II L.P., as it may be amended or supplemented from time to time. Any statement contained in the Confidential Offering Memorandum will be deemed to be modified or superseded for all purposes to the extent, but only to the extent, that a statement contained herein expressly modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Offering Memorandum. Any statement contained in the Confidential Offering Memorandum and not so modified or superseded shall remain a part of the Offering Memorandum. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Confidential Offering Memorandum.

Summary

The address of Polar Asset Management Partners Inc. under the headings "Summary – Manager" and "Summary – Investment Advisor" is deleted and replaced with the following:

> "Polar Asset Management Partners Inc.
> 16 York Street, Suite 2900
> Toronto, Ontario, M5J 0E6"

The 3rd bullet point entitled "Gross Market Exposure" following the 2nd paragraph under the sub-heading "Summary – Investment Strategies of the Partnership" is deleted and replaced with the following:

> "3. ***Gross Market Exposure***: The Partnership may employ leverage. The gross amount of dollar exposure (i.e., dollars invested long plus dollars invested short) is generally expected to not exceed 150% of the Partnership's Net Asset Value (as defined herein) but may, at the discretion of the Investment Advisor, be greater than such percentage. See "Leverage" under "Risk Factors"."

The 4th bullet point entitled "Net Market Exposure" following the 2nd paragraph under the sub-heading "Summary – Investment Strategies of the Partnership" is deleted and replaced with the following:

> "4. ***Net Market Exposure***: The Partnership may maintain both long positions and short positions at any time. The net amount of dollar exposure (dollars invested long minus dollars invested short) is generally expected to range from 80% to 150% of the Partnership's Net Asset Value, but may, at the direction of the Investment Advisor, be less than or greater than such levels."

The paragraph under the sub-heading "Summary - Eligibility for Investment" is deleted and replaced with the following:

> "The Subscriptions Receipts and the Partnership Units are not "qualified investments" under the Tax Act (as hereinafter defined) for a trust governed by a TFSA, RRSP, RRIF, RESP, DPSP or RDSP. Investing in the Subscriptions Receipts or Partnership Units could result in adverse tax consequences for such plans. Subscription Receipts and Partnership Units are not eligible for purchase by a Non-Resident See "Eligibility for Investment"."

The first paragraph under the sub-heading "Summary - Certain Canadian Federal Income Tax Considerations" is deleted and replaced with the following:

> "The Partnership is generally not subject to tax under the Tax Act. Each Limited Partner is required to include (or entitled to deduct), in computing the Limited Partner's income for a particular taxation year, the Limited Partner's share of the income (or loss) of the Partnership (subject, in the case of a loss, to the application of the "at-risk rules" described under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Limited Partner's Share of Income or Loss") for the fiscal period of the Partnership ending in, or coincidentally with, such taxation year, whether or not such Limited Partner has received any distributions from the Partnership. For this purpose, the income or loss of the Partnership will be computed for each fiscal period as if the Partnership were a separate person resident in Canada and will

be allocated to the Limited Partners on the basis of their respective shares of that income or loss as provided for in the Partnership Agreement."

The sub-heading "Legal Counsel to the Partnership:" in the Summary is deleted and replaced with "Corporate Counsel to the Partnership:"

The following is inserted between "Summary - Corporate Counsel to the Partnership:" and "Summary - Custodian / Prime Broker for the Partnership:":

"Tax Counsel to the Partnership: Thorsteinssons LLP
Toronto, Ontario"

Glossary

The following new definition is added between "Net Asset Value" and "Offering":

""**Non-Resident**" has the meaning ascribed to such term under the sub-heading "The Partnership Agreement, Default of Limited Partners";"

The definition of "Offering Memorandum" is deleted and replaced with the following:

""**Offering Memorandum**" means this confidential offering memorandum as it may be amended from time to time;"

The Partnership

The last sentence in the first paragraph under the heading "The Partnership" is deleted and replaced with the following:

"The principal address of the Partnership is 16 York Street, Suite 2900, Toronto, Ontario, M5J 0E6."

The second to last sentence in the first paragraph under the sub-heading "The Partnership - The General Partner" is deleted and replaced with the following:

"The principal address of the General Partner is 16 York Street, Suite 2900, Toronto, Ontario, M5J 0E6."

The Partnership Agreement - Default of Limited Partners

The second paragraph under the sub-heading "The Partnership Agreement – Default of Limited Partners" is deleted and replaced with the following to add reference to a non-resident or a partnership that is not a "Canadian partnership" (each within the meaning of the Tax Act):

"However, pursuant to the terms of the Partnership Agreement, in the event that a Limited Partner's default is his, her or its (a) having become a "financial institution" as defined in subsection 142.2(1) of the Tax Act, a person or partnership, an interest in which is a "tax shelter investment" or which would acquire Partnership Units as a "tax shelter investment", a non-resident of Canada (within the meaning of the Tax Act) or a partnership that is not a "Canadian partnership" (within the meaning of the Tax Act) (each, a "**Non-Resident**"), or a person or partnership that would cause the Partnership to be a "SIFT partnership", all within the meaning of the Tax Act, (b) having financed its acquisition of Partnership Units with any "limited recourse debt" (within the meaning of the Tax Act), (c) failure to advise the General Partner either (i) at the time of issue or transfer of Partnership Units that such investor is a "financial institution", or (ii) generally if the Limited Partner becomes a "financial institution" or a Non-Resident, or if an interest in such Limited Partner becomes a "tax shelter investment", or if it will cause the Partnership to be a "SIFT partnership" or (d) failure to provide evidence satisfactory to

the General Partner with respect to his, her or its tax status, then the General Partner may require the defaulting Limited Partner to dispose of all of his, her or its Partnership Units with effect immediately before the date of default. Failing that, the General Partner, subject to compliance with Applicable Securities Laws, will be entitled (but not obligated) to sell such Partnership Units or to acquire such Partnership Units on behalf of the Partnership. Any such disposition, sale or acquisition price shall be the applicable redemption price per Partnership Unit calculated as of the Redemption Date immediately prior to the date of default. In addition, the defaulting Limited Partner will be deemed to have ceased to be a partner of the Partnership, with effect immediately before the date of default, and will not be entitled to vote on any matters that he, she or it would otherwise have been entitled to vote on pursuant to the Partnership Agreement and will not be entitled to receive any distributions on the Partnership Units held by him, her or it. Such Partnership Units will be deemed not to be outstanding until acquired by a party that does not contravene the requirements of the Partnership Agreement.

Notwithstanding the foregoing, to the extent that amounts received by the Partnership are subject to withholding or other taxes as a result of one or more Limited Partners being a Non-Resident then the full amount of any such withholdings or other taxes shall be borne exclusively by any such Non-Resident or, if there is more than one Non-Resident, then the full amount of any such withholdings or other taxes shall be borne exclusively by all or such Non-Resident Limited Partners according to their relative and respective Partnership Units at that time."

Investment Strategies of the Partnership

Bullet point (c) entitled "Gross Market Exposure" following the 2nd paragraph under the sub-heading "Investment Strategies of the Partnership – Investment Strategy" is deleted and replaced with the following:

"(c) ***Gross Market Exposure***: The Partnership may employ leverage. The gross amount of dollar exposure (i.e., dollars invested long plus dollars invested short) is generally expected to not exceed 150% of the Partnership's Net Asset Value but may, at the discretion of the Investment Advisor, be greater than such percentage. See "Leverage" under "Risk Factors"."

Bullet point (d) entitled "Net Market Exposure" following the 2nd paragraph under the sub-heading "Investment Strategies of the Partnership – Investment Strategy" is deleted and replaced with the following:

"(d) ***Net Market Exposure***: The Partnership may maintain both long positions and short positions at any time. The net amount of dollar exposure (dollars invested long minus dollars invested short) is generally expected to range from 80% to 150% of the Partnership's Net Asset Value, but may, at the direction of the Investment Advisor, be less than or greater than such levels."

The second and third paragraphs under the sub-heading "Investment Strategies of the Partnership – Investment Restrictions" will be deleted and replaced with the following:

"The Partnership will not invest in a share or interest in a non-resident entity that would be a "controlled foreign affiliate" of the Partnership for the purposes of the Tax Act. The Partnership will also not invest in the securities of any non-resident corporation, non-resident trust or other non-resident entity (or of any partnership that holds such securities) if the Partnership would be required to include any significant amount in income under sections 94, 94.1 or 94.2 of the Tax Act."

Details of the Offering

The following sentence is added at the end of the first paragraph under the heading "Details of the Offering":

"The Partnership Units are not eligible for purchase by and are not being offered to Non-Residents."

Redemption of Partnership Units

The following disclosure is added at the end of the paragraph under the sub-heading "Redemption of Partnership Units – Mandatory Redemptions":

> "In addition, the General Partner may require a defaulting partner to dispose of all of his, her or its Partnership Units, or may, failing that, sell such Partnership Units or acquire such Partnership Units on behalf of the Partnership in situations as set out under "*The Partnership Agreement – Default of Limited Partners*"."

Certain Canadian Federal Income Tax Considerations

The first sentence under the heading "Certain Canadian Federal Income Tax Considerations" is deleted and replaced with the following:

> "The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") generally applicable to Limited Partners who acquire Partnership Units pursuant to this Offering Memorandum and who, for purposes of the Tax Act, are resident in Canada, hold their Units as capital property, deal at arm's length with the Partnership, and are not affiliated with the Partnership."

The last sentence in the first section of the tax disclosure and immediately before the sub-heading "Status of the Partnership" is deleted as Non- Residents will no longer be permitted to subscribe for Partnership Units pursuant to the terms of the Partnership Agreement.

The fifth paragraph under the sub-heading "Certain Canadian Federal Income Tax Considerations - Taxation of Limited Partner's Share of Income or Loss" is deleted and replaced with the following:

> "In general, a Limited Partner's share of any income or loss of the Partnership from a particular source, such as taxable capital gains and dividends received (or deemed to be received) by the Partnership, will be treated as if it were income or loss of the Limited Partner from the source, and any provision of the Tax Act applicable to that type of income or loss will apply to the Limited Partner with respect thereto. The source and character of an amount included in or deducted from the income of a Limited Partner will be determined by reference to the source and character of such amounts when earned by the Partnership."

The first sentence of the fourth paragraph under the sub-heading "Certain Canadian Federal Income Tax Considerations – Disposition of Units" is deleted and replaced with the following:

> "The disposition of a Partnership Unit to a tax-exempt person, a partnership (including the Partnership) or trust in which a tax-exempt person has an interest, or certain other persons, partnerships or trusts may give rise to adverse tax consequences to the transferor, including the taxation of any resulting capital gain at ordinary income tax rates."

The second paragraph under the sub-heading "Certain Canadian Federal Income Tax Considerations - Filing and Reporting Requirements under the Tax Act" is deleted and replaced with the following as non-residents of Canada will no longer be permitted to subscribe for Partnership Units under the Partnership Agreement:

> "Provided that no Limited Partners are Non-Residents (in compliance with the terms of the Partnership Agreement), the Partnership will be a "specified Canadian entity", and as a result, Limited Partners will not be required to treat their Partnership Units as "specified foreign property" for purposes of the information return required to be filed in Form T1135."

Eligibility for Investment

The paragraph under the heading "Eligibility for Investment" is deleted and replaced with the following:

> "The Subscription Receipts and Partnership Units are not "qualified investments" under the Tax Act for a trust governed by a TFSA, RRSP, RRIF, RESP, DPSP or RDSP. Investing in the Subscription Receipts or Partnership Units could result in adverse tax consequences for such plans. Such investors should consult their own tax advisors with respect to their particular circumstances. Subscription Receipts and Partnership Units are not eligible for purchase by a Non-Resident."

Risk Factors

The first paragraph under the sub-heading "Risk Factors - Taxation of the Partnership" is deleted and replaced with the following:

"6. Taxation of the Partnership. In general, a Limited Partner who is a resident of Canada for purposes of the Tax Act must include in computing the Limited Partner's income its proportionate share of income of the Partnership allocated to the Limited Partner pursuant to the Partnership Agreement for the fiscal period of the Partnership ending in or coincidentally with the Limited Partner's taxation year. Please see "Certain Canadian Federal Income Tax Considerations – Taxation of Limited Partner's Share of Income or Loss". However, the cash distributed to a Limited Partner may not be sufficient to pay the full amount of such Limited Partner's tax liability in respect of its investment in the Partnership because each Limited Partner's tax liability depends on such Limited Partner's particular circumstances. In addition, the actual amount and timing of distributions by the Partnership will be subject to the discretion of the General Partner, and there can be no assurance that the Partnership will in fact make cash distributions as intended. Even if the Partnership is unable to distribute cash in amounts that are sufficient to fund a Limited Partner's tax liability, such Limited Partner will nonetheless be required to pay income taxes on its proportionate share of the Partnership's income."

The following risk factor is added under the heading "Risk Factor" between the "Taxation of the Partnership" and "Charges to the Partnership" risk factors and subsequent risk factors are re-numbered appropriately:

"7. Non-Resident. Notwithstanding certain provisions in the Partnership Agreement which would deem a Non-Resident to have ceased to be a partner of the Partnership immediately before becoming a Non-Resident, certain amounts payable to the Partnership may be subject to withholding or other taxes due to a Non-Resident's ownership of the Partnership Units. If amounts payable to the Partnership are subject to such taxes then the full amount of any such withholdings or other taxes is to be borne by any such Non-Resident. Generally, this would occur through a reduction to the distribution payable to such Non-Resident in a taxation year but, the distribution otherwise payable to such Non-Resident may not be sufficient and there is no guarantee that such Non-Resident will be able to satisfy or will satisfy such obligation."

8. Tax Risks. There can be no assurance that any potential Canadian tax consequence described in this Offering Memorandum will necessarily apply. Further, it is the responsibility of any person interested in purchasing Partnership Units to inform herself/himself as to any tax consequences from such investment which are relevant to her/his particular circumstances. An investor should therefore seek her/his own separate tax advice in relation to the acquisition, holding and disposition of Partnership Units. None of the Manager, Investment Advisor or the Partnership or any of their counsel or other advisors are responsible for any tax liability (or any related penalties, interest or other additions to tax) applicable to an investor in the Partnership or for the effect of taxes (or any related penalties, interest or other additions to tax) on the investment returns of the Partnership.

9. Changes to Canadian Tax Laws. There can be no assurance that income tax laws and the administrative policies and assessing practices of the CRA will not be changed, whether by judicial, governmental or legislative decision or action, possibly on a retroactive basis and/or without "grandfathering" or other relief, in a manner that adversely affects the Partnership and/or the Limited Partners.

10. Challenges by the CRA. There may be disagreements with the CRA in connection with certain positions taken by the Partnership with respect to its classification or status for income tax purposes, the nature of the income earned by the Partnership, the deductions, determinations or computations made by the Partnership or other filing positions. A successful challenge of any such position taken by the Partnership may adversely affect the Partnership and/or the Limited Partners."

Legal Counsel

The sentence under the heading "Legal Counsel" is deleted and replaced with the following:

"Blake, Cassels & Graydon LLP acts as corporate legal counsel and Thorsteinssons LLP acts as tax counsel to the Partnership and to the Manager."

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