OFFERING MEMORANDUM

This Offering Memorandum constitutes a private offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus, advertisement or public offering of the securities referred to herein. ***No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Risk Factors"****. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada. The securities offered hereunder will be issued under exemptions from the registration and prospectus requirements of the applicable securities laws of the Provinces of British Columbia and Alberta and the rules, regulations and policies thereunder and will be subject to certain resale restrictions. These securities will not be offered for sale in the United States of America.*

March 29, 2016 **Continuous Offering**

RYAN MORTGAGE INCOME FUND INC.
(the "Company")
#310 – 10524 King George Boulevard
Surrey, BC V3T 2X2
Tel: (604) 581-2161 Fax: (604) 581-2161

Email: kurt@RMIF.ca

$1.00 per Preferred Share

Minimum Subscription: There is no minimum amount

Ryan Mortgage Income Fund Inc. (the "Company") is a private mortgage investment corporation incorporated under the *Company Act* (British Columbia) on September 13, 1984, under the name "Ryan Mortgage Corp." On July 28, 2005, the Company transitioned under the new *Business Corporation Act* (British Columbia). On May 7, 2008, the Company changed its name to "Ryan Mortgage Income Fund Inc."

The Company is offering on a private placement basis up to a maximum of 75,000,000 redeemable and voting preferred shares (the "Preferred Shares") in the capital of the Company at an initial price of $1.00 per Preferred Share (the "Offering"). Each Preferred Share represents a beneficial interest in the profits of the Company, which will principally be comprised of annual dividends paid in cash or in shares of the Company.

The Offering is being made with reliance on certain exemptions from the prospectus filing requirements available under the securities laws of the Provinces of British Columbia and Alberta. As a result, the Preferred Shares offered herein will be subject to the applicable resale restrictions under these laws. You will be restricted from selling your securities for an indefinite period. See "Resale Restrictions". There are certain risk factors inherent in an investment in the Preferred Shares and in the activities of the Company. See "Risk Factors".

Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under "Subscription Procedure" and to the right of the Company to close the subscription books at any time without notice. The Offering is continuous and Preferred Shares will be available for sale. Purchasers will have two business days to cancel their agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, purchasers will have the right to sue either for damages or to cancel their agreement to purchase these securities. See "Subscription Procedure" and "Purchasers' Rights".

DISCLAIMERS

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the securities offered hereby. Purchasers should thoroughly review this Offering Memorandum and are advised to consult with their professional advisors to assess the business, legal, income tax and other aspects of this investment. The securities offered hereby will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by the Company. Any subscription for the securities offered hereby made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, will be solely at the risk of such person.

This Offering Memorandum is confidential. By their receipt hereof, prospective purchasers agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein.

OFFERING MEMORANDUM
Dated March 29, 2016
for
RYAN MORTGAGE INCOME FUND INC.

The Issuer

Name:	**RYAN MORTGAGE INCOME FUND INC.** (the "**Company**")
Head Office Address:	#310 – 10524 King George Boulevard Surrey, BC V3T 2X2
Telephone Number:	(604) 581-2161
Fax Number:	(604) 581-2161
Email Address:	kurt@RMIF.ca
Currently Listed/Quoted:	No. **These securities do not trade on any exchange or market.**
Reporting Issuer:	No.
SEDAR Filer :	No.

The Offering

Securities Offered:	Redeemable, voting preferred shares with a par value of $1.00 each (the "**Preferred Shares**") in the capital of the Company.
Price Per Security:	$1.00 per Preferred Share (the "**Subscription Price**").
Minimum/Maximum Offering:	$0 (Nil Preferred Shares) minimum / $75,000,000 (75,000,000 Preferred Shares) maximum (the "**Offering**"). **There is no aggregate minimum number of Preferred Shares to be issued by the Company under the Offering. You may be the only purchaser.** There will be a maximum of 75,000,000 Preferred Shares issued under the Offering. **Funds available under the Offering may not be sufficient to accomplish the Company's proposed objectives.**
Minimum Subscription Amount:	There is no minimum subscription amount an investor must invest.
Payment Terms:	The full subscription price, payable by certified cheque or bank draft, is due on delivery of each subscription.
Proposed Closing Date(s):	Closing dates will be determined from time to time by the Company, as subscriptions for Preferred Shares are received by the Company. Closings will be no earlier than two (2) days after and no later than thirty (30) days after the Company's receipt of a subscription agreement.
Income Tax Consequences:	There are important income tax consequences to these securities. See Item 6 - "*Income Tax Consequences and RRSP Eligibility*".
Selling Agent:	No. There is currently no selling agent for the Offering, but the Company reserves the right to retain one or more selling agents during the course of this Offering. See Item 7 - "*Compensation Paid to Sellers and Finders*".

Resale Restrictions

You will be restricted from selling your securities for an indefinite period of time. See Item 10 - "*Resale Restrictions*".

Purchaser's Rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 - "*Purchaser's Rights*".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 - "*Risk Factors*".

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GLOSSARY

In this Offering Memorandum, unless the context otherwise requires, the following words and phrases will have the meaning set forth below:

"**Affiliate**" has the meaning ascribed thereto in National Instrument 45-106, except as otherwise provided herein.

"**BC**" means the Province of British Columbia.

"**Business Day**" means any day that is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia.

"**Closing**" means the day or days upon which the securities are issued to the Purchasers pursuant to the Offering.

"**Common Share**" or "**Common Shares**" means, respectively, one or more common voting shares with a par value of $1.00 per share in the capital of the Company.

"**Company**" means Ryan Mortgage Income Fund Inc., a Company incorporated under the laws of the Province of British Columbia and is governed by the *Business Corporations Act* (British Columbia).

"**CRA**" means the Canada Revenue Agency.

"**Director**" means a member of the Board of Directors of the Company.

"**Financial Services Agreement**" means the financial services agreement dated February 1, 2012, but having an effective date of December 1, 2011, between the Company and Alpine Credits Limited, as it may be amended from time to time.

"**Initial Closing**" means the first closing date of the Offering as may be determined by the Company.

"**Management**" means all directors, officers and employees of the Company.

"**Maximum Offering**" means the maximum offering of 75,000,000 Preferred Shares being offered hereunder, which will raise total gross proceeds in the amount of $75,000,000.

"**MIC**" means a mortgage investment corporation as defined in subsection 130.1(6) of the Tax Act.

"**Minimum Offering**" means the minimum offering of nil Preferred Shares being offered hereunder, which will raise total gross proceeds in the amount of $0.

"**Net Proceeds**" means, at any time, the aggregate gross proceeds of this Offering less amounts paid in respect of commissions and other expenses related to the Offering, together with all interest accrued thereon.

"**NI 31-103**" means National Instrument 31-103 Registration Requirements and Exemptions.

"**Offering**" means the offering by the Company of up to 75,000,000 Preferred Shares of the Company for aggregate gross proceeds of up to $75,000,000 pursuant to this Offering Memorandum or in any amendment hereto.

"**Offering Memorandum**" means this offering memorandum, including any amendment hereto or thereto.

"**Preferred Shares**" means one or more redeemable, voting preferred shares with a par value of $1.00 in the capital of the Company offered pursuant to this Offering Memorandum.

"**Primary Districts**" means, collectively: Metro Vancouver, the Fraser Valley Regional District, Capital Regional District of B.C., Kelowna, Kamloops, Squamish, Nanaimo, Edmonton Metropolitan Area, Calgary Regional District, Greater Toronto Area, Ottawa, Hamilton, London, Markham, Kitchener, Windsor, Burlington, Greater Sudbury, Oshawa, Barrie, St. Catharines, Cambridge, Kingston, Guelph, Thunder Bay, Waterloo and Brantford.

“**principal holder**” has the meaning ascribed to it under section 3.1.

“**Purchaser**” means a purchaser of Preferred Shares pursuant to this Offering.

“**Regulations**” means the regulations promulgated under the Tax Act, as amended from time to time.

“**Shareholder**” means any shareholder of record of the Company.

“**Subscription Agreement**” means the form of subscription agreement for the Preferred Shares accompanying this Offering Memorandum.

“**Subscription Price**” means the subscription price of $1.00 per Preferred Share as determined by the Company.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**$**” means Canadian dollars.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Net Funds

The net proceeds of the Offering and the funds which will be available to the Company after this Offering, are as follows:

		Assuming Minimum Offering(1)	**Assuming Maximum Offering(1)**
A	Amount to be raised by this Offering	$0	$75,000,000
B	Selling commissions and fees	N/A	$0
C	Estimated offering costs (e.g. legal, accounting, audit etc.)	$15,000	$15,000
D	Available funds: D = A – (B+C)	($15,000)	$74,985,000
E	Additional sources of funding required	$15,000(2)	$0
F	Working capital deficiency	N/A	$0
G	Total: G = (D + E) – F	$0	$74,985,000

(1) There is no minimum offering. The Company may raise only a portion of the maximum offering.
(2) If necessary, the Company will provide funds from existing working capital to cover the estimated offering costs.

1.2 Use of Available Funds

The Company will use the available funds as follows:

Description of intended use of available funds listed in order of priority	**Assuming Minimum Offering**	**Assuming Maximum Offering**
Investment in mortgages, other permitted investments and related administrative expenses	$0	$74,985,000
ANY OTHER USE	$0	$0
Total:	$0	$74,985,000

1.3 Reallocation

The Company intends to spend the funds available as stated. The Company will reallocate funds only for sound business reasons.

ITEM 2 - BUSINESS OF THE COMPANY

2.1 Structure

The Company was incorporated under the *Company Act* (British Columbia) on September 13, 1984, under the name "Ryan Mortgage Corp." On July 28, 2005, the Company transitioned under the new *Business Corporation Act* (British Columbia). On May 7, 2008, the Company changed its name to "Ryan Mortgage Income Fund Inc.".

The head and principal office of the Company is located at #310 – 10524 King George Boulevard, Surrey, British Columbia, Canada V3T 2X2. The registered and records office of the Company is located at Royal Centre, Suite 1500 – 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, Canada V6E 4N7.

On June 29, 2005, the Company was registered as an extra-provincial corporation in Alberta. The agent for service in Alberta is located at 11115 Groat Road, Edmonton, Alberta, Canada T5M 4E3.

On October 11, 2012, the Company was registered as an extra-provincial corporation in Ontario.

The Company does not have any subsidiaries or proposed subsidiaries.

The Company is registered to carry on business as a mortgage investment corporation (MIC) in the provinces of British Columbia and Alberta. The Company's Articles and investment policies require it to conduct its operations so as to qualify as a "*mortgage investment corporation*" as this term is defined under section 130.1 of the Tax Act. The Directors of the Company intend to refuse the registration of an allotment or transfer of the Company's shares which may result in the Company ceasing to meet such qualification.

2.2 The Company's Business

General

The Company is a MIC. It is the intention of the Company to invest in residential, commercial, construction and raw land mortgage loans secured by first, second, third and inter alia mortgages.

The Company conducts business in the provinces of British Columbia, Alberta and Ontario and is registered to carry on business as a mortgage investment corporation in British Columbia and Alberta. The Company may expand its business into other provinces, and if so, the Company will apply, if necessary, to become registered under corporate and applicable mortgage brokering legislation to carry on business as a MIC in such provinces.

The Company does not actively employ resources to actively seek or originate mortgages for investment, and relies exclusively on the expertise of Alpine Credits Limited for a regular flow of investment opportunities. To the extent that the Company's funds are not invested in mortgages from time to time, they will be held in cash deposited with a Canadian chartered bank or will be invested in short term deposits, savings accounts or government guaranteed income certificates so that the Company maintains a level of working capital for its ongoing operations considered acceptable by the Directors of the Company.

The President and CEO of the Company, Mr. Kurt Wipp will be responsible for managing the Company's mortgage investment portfolio. The Financial Services Agreement with Alpine Credits Limited provides that the Company shall have the first right of refusal on all mortgages underwritten and available to Alpine Credits Limited and that Alpine Credits Limited will assist in arranging mortgages for the Company as well as perform certain administrative duties for the Company (see Item 2.2 - "*The Company's Business – Financial Services*").

As a MIC, the Company is allowed to deduct dividends that it pays from its income. The Company intends to pay out all of its net income and net realized capital gains as dividends within the time period specified in the Tax Act and as a result does not anticipate paying any income tax (see Item 6 - "*Income Tax Consequences*").

The Company may fund its investments through equity financings or, by law, the Company may employ leverage, as permitted by applicable legislation, by issuing debt obligations up to a maximum of five (5) times its equity if at least 2/3 of its equity is in Canadian residential property and three (3) times its equity if less than 2/3 of its equity is in Canadian residential property. The Company currently has a maximum operating line of credit of $40,000,000 with a Canadian Chartered Bank (see Item 2.7(3) - "*Material Agreements*"). The Company intends to borrow to the extent that the Directors are satisfied that such borrowing and additional investments will increase the overall profitability of the Company.

Mortgage Brokerage

The Company is registered as a Mortgage Broker with the British Columbia Financial Institutions Commission in accordance with the Mortgage Brokers Act.

The Office of the Registrar of Mortgage Brokers at the British Columbia Financial Institutions Commission regulates the mortgage brokering and lending activities of MICs under the Mortgage Brokers Act. The Registrar and the Mortgage Brokers Act do not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation.

Nature of Projects to be Financed

The Company will invest in a diversified portfolio of mortgages on real or immovable property which may be comprised of commercial, construction, raw land, as well as residential properties such as single-family dwellings, duplexes, townhouses, condominium units or multiple family dwellings such as apartment buildings, located in British Columbia, Alberta and Ontario. Subject to board approval, the Company may invest in other provinces, but the Company will not invest in mortgages on property outside of Canada.

The Company's typical investment will be a residential loan with a term of five years or less, secured by either a first or subsequent mortgage against residential property. If the term of a residential loan exceeds one year, the interest rate in years subsequent to the first year will typically be adjusted annually relative to the prime interest rate in effect at the time of adjustment.

Investment Policies

The Company's investment policies are consistent with the Company's Articles and all relevant legislation governing the Company. The Board of Directors has approved the following policies:

(i) The Company will invest in mortgages on real or immovable residential properties such as single-family dwellings, duplexes, townhouses, condominium units or multiple family dwellings such as apartment buildings.

(ii) All investment loans will be secured by mortgages in favour of the Company that will, prior to funding, be registered on title to the subject property.

(iii) The Company requires a current appraisal (i.e. within the last six months) with every mortgage application unless otherwise directed by the Directors of the Company. Each appraisal is required to be prepared by a member of the Accredited Appraisal Canadian Institute.

(iv) Mortgage investments will be made as either term mortgages or interim construction mortgages and, with the exception of policy (v) below, will not exceed 75% of the appraised value at the date of advance.

(v) At the directors discretion, up to 2% of the mortgages under management can be invested in mortgages not to exceed 80% of the appraised value at the date of advance. Said mortgages are not to exceed $40,000 per mortgage and must be in Primary Districts.

(vi) The Company will invest primarily in mortgages on residential properties and, thereafter, up to 10% of the Company's mortgage portfolio may be invested in mortgages on non-residential property.

(vii) The Company must invest a minimum of 50% of its total mortgage portfolio in properties located in the Primary Districts.

(viii) Unless otherwise directed by the Directors, no individual loan investment may exceed 1.00% of the portfolio unless (i) the loan to value ratio of the loan is less than 50%; or (ii) the loan to value ratio of the loan is less than 65% and the property is located in any one of the Primary Districts except for Kelowna, Kamloops, Squamish and Nanaimo.

(ix) Any loan exceeding $500,000 must be approved by two Officers of the Company.

(x) Unless otherwise approved by the Board of Directors, no single investment involving one property or development, or involving several properties or developments, will exceed 2.50% of the book value of the mortgage portfolio of the Company.

(xi) The initial term of each mortgage may not exceed 60 months unless such extended term is approved by at least two (2) Directors.

The Company may not borrow money unless approved by the board of Directors.

Operating Policies

The Tax Act imposes certain restrictions on MICs and on investments made by MICs, which restrictions can be summarized as follows:

(i) The corporation must be a Canadian corporation.

(ii) The corporation must have at least 20 shareholders.

(iii) No shareholder can own more than 25% of the issued shares of any class of the corporation.

(iv) Except in limited circumstances, the corporation cannot manage or develop real property.

(v) The corporation cannot own shares of non-resident corporations.

(vi) The corporation cannot hold real property located outside of Canada.

(vii) The corporation cannot loan funds where the security is property located outside of Canada.

(viii) More than 50% of the cost of the corporation's property must be invested in mortgages over residential properties or deposits with a qualifying financial institution.

(ix) No more than 25% of the cost of the corporation's property can be invested in real property, except property acquired by foreclosure.

(x) The corporation must not exceed certain debt-to-equity ratios, which vary depending on the percentage of the cost of property invested in residential mortgages or on deposit with qualifying financial institutions. If less than two-thirds of the cost of the corporation's property is invested in this manner, the debt-to equity ratio may not exceed three to one. If more than two-thirds of the cost of the corporation's property is invested in this manner, then the allowable debt-to-equity ratio is five to one.

Financial Services

Pursuant to the Financial Services Agreement, Alpine Credits Limited provides the Company with a first right of refusal on all mortgages underwritten and available to Alpine Credits Limited and assists the Company in arranging mortgages. The Company agrees to provide Alpine Credits Limited with its lending requirements and promotional material so as to assist Alpine in obtaining borrowers for the Company. However, Alpine is not permitted to do the following:

(i) represent to any potential borrower that it can guarantee a mortgage commitment from the Company; or
(ii) bind or obligate the Company in any manner.

The Financial Services Agreement has no provision for termination and will continue in full force and effect until such time as the parties agree otherwise or the Company ceases business.

In consideration for its services, the Company has agreed to pay Alpine Credits Limited an annual fee equal to 2.0% of the total value of the Company's mortgage portfolio, payable monthly. Not included in this fee are expenses incurred by or on behalf of the Company in connection with all matters, which may be charged separately to the account of the Company. The expenses to be paid directly by the Company may include fees and expenses of its Directors and officers, the cost of acquisition of mortgages, appraisal fees, foreclosure costs, any bad debts associated with mortgage defaults, any commission or brokerage fees on the purchase sale of the portfolio securities, taxes of all kinds to which the Company is subject, interest charges, bank charges, rent, legal fees, fees payable in respect of the issuance and administration of the Company's debentures, registered agent fees, the cost of submitting financial reports and providing other information to shareholders and regulators, costs associated with property improvements, any costs associated with legal claims brought by or against the Company, messenger service, photocopying, land title search, credit bureau reports, printing costs, survey certificates, postage, long distance and other telephone charges, accounting fees, other professional fees, real estate commissions, advertisements, promotions and insurance premiums.

In addition, Alpine Credits Limited will perform certain administrative duties for the Company, including but not limited to:

(i) assisting with processing and administering mortgage loans on behalf of and as instructed by the Company, which duties in turn include, but are not limited to, collections and payouts; and
(ii) assisting the Company with accounting tasks.

These certain administrative duties provided by Alpine Credits Limited to the Company are in addition to the Financial Services Agreement and are provided at no charge to the Company.

Alpine Credits Limited is a related party to the Company in that Alpine Credits Limited is controlled by Messrs. Brent Wipp and Kurt Wipp, all of whom are Directors, officers and shareholders of the Company.

2.3 Development of Business

The Company has increased its loan portfolio, since its inception in 1984, by securing additional capital from previous offerings of Preferred Shares and shareholders' reinvestment of dividends and from its line of credit. It has invested solely in mortgages in British Columbia, Alberta and Ontario, however, it will consider mortgage investments elsewhere in Canada, as its capital permits. Emphasis will continue to be on urban centres and growth areas (i.e., the Primary Districts).

As of March 1, 2016, the Company's funds were invested in approximately 2,201 mortgages ranging in amounts from $5,125 to $ $1,863,727. The mortgage portfolio may change frequently due to mortgage payouts (i.e. the borrower refinances, sells his/her property), new capital invested in the Company and profits earned that are not paid out in the form of dividends. The mortgage portfolio composition as of March 1, 2016 was as follows:

Region	# of Mortgages	1st Mortgages	2nd Mortgages	Other Mortgages(1)	Total Value	Average LTV(2)
GVRD/FVRD(3)	542	$7,617,865	$29,007,582	$10,054,468	$46,679,916	55.90%
Victoria	113	$5,590,803	$3,362,170	$3,739,422	$12,692,395	57.91%
Other BC	215	$8,110,070	$5,781,605	$5,363,545	$19,255,220	48.97%
Edmonton	280	$6,384,669	$12,260,642	$2,821,791	$21,467,102	55.28%
Calgary	397	$4,854,027	$19,675,987	$5,211,555	$29,741,569	60.33%
Other Alberta	350	$17,633,991	$10,104,055	$8,230,384	$35,968,429	50.49%
Greater Toronto	196	$3,032,110	$10,691,338	$775,884	$14,499,332	56.13%
Other Ontario	108	$2,110,259	$3,803,510	$843,989	$6,757,758	55.39%
TOTALS	**2,201**	**$55,333,795**	**$94,686,887**	**$37,041,039**	**$187,061,721**	**55.32%**

Notes:

(1) Other Mortgages includes third mortgages and inter alia mortgages. As of March 1, 2016 the Company had approximately $8.5 Million in third mortgages. An inter alia mortgage is a mortgage that has security over two or more properties. As of March 1, 2016 the Company had approximately $28.5 Million in inter alia mortgages.

(2) LTV is the acronym for "Loan to Value". The LTV of any specific mortgage is equal to the sum of the Company's mortgage plus any prior mortgages divided by the value the property. The LTV calculations in the above table were completed at the time the mortgages were originally funded. Thus, the above calculations are not an exact indicator of the actual LTV(s) as of March 1, 2016 as the property prices and/or mortgage values may have changed since the time the mortgage was originally funded.

(3) GVRD/FVRD is the Greater Vancouver Regional District and Fraser Valley Regional District, respectively. It includes Vancouver, Surrey, Maple Ridge, Langley, New Westminster, Coquitlam, Port Coquitlam, Richmond, North Vancouver, West Vancouver, Delta, Aldergrove, Chilliwack, Abbotsford, Port Moody and Mission.

As of the March 1, 2016 the interest rate composition of the Company's portfolio was as follows:

Interest Rate Range	# of Mortgages	Value of Mortgages	Average LTV
Less than 8%	197	$24,448,974	44.51%
8 to 8.99%	358	$35,621,683	51.16%
9 to 9.99%	496	$45,558,491	53.17%
10 to 10.99%	353	$31,659,669	57.20%
11 to 11.99%	279	$20,675,543	62.72%
12 to 12.99%	346	$21,374,522	66.53%
13 to 13.99%	95	$4,748,163	62.03%
14 to 14.99%	47	$2,118,413	62.43%
Over 15%	30	$856,263	69.69%
TOTALS	**2.201**	**$187,061,721**	**55.32%**

The Company's dividends are paid annually and not guaranteed. The returns will fluctuate from year to year mainly due to the Company's ability to deploy its capital and avoid losses on its mortgage portfolio. The Company's ability to deploy its capital is influenced by the state of the Canadian private mortgage market. The Canadian private mortgage market is influenced by factors such as the price of real estate, interest rates, lending competition for private mortgages, employment conditions and general economic activity. The Company's 10 year return history is as follows:

Year	**Annualized Return**
2006	10.50%
2007	11.18%
2008	10.05%
2009	9.15%
2010	8.55%
2011	9.10%
2012	9.25%
2013	9.30%
2014	9.15%
2015	9.05%

The Company's annualized rate of return of the dividends paid to the holders of Preferred Shares for 2015 was 9.05%, which resulted in a distribution of dividends of $10,517,602 of which $2,319,092 was paid in cash from operating activities and the remaining $8,198,510 was reinvested in Preferred Shares through the reinvestment option.

The relationship between the Company's cash flows from operating activities and profit or loss, and its historical distributed cash can be summarized in further detail as follows:

	Cash Flow:	**For the three months ended Nov. 30, 2015**	**Accumulated for the year ended Nov. 30, 2015**	**Previously completed fiscal years**	
				(2014)	**(2013)**
A.	Cash flows from operating activities*	$3,779,176	$12,796,783	$9,153,609	$6,713,879
B.	Profit or loss	$2,831,913	$10,517,602	$8,102,400	$6,064,418

C.	Actual cash distributions paid or payable relating to the period**	Nil	$2,319,092	$887,826	$1,294,639
D.	**Excess (shortfall) of cash flows from operating activities over cash distributions paid (A) – (C)**	**$3,779,176**	**$10,477,691**	**$8,265,783**	**$5,419,240**
E.	**Excess (shortfall) of cash flows from operating activities over cash distributions paid (B) – (C)**	**$2,831,913**	**$8,198,510**	**$7,214,574**	**$4,769,779**

* Takes into account changes in non-cash working capital balances and includes borrowing costs

** Includes distributions paid or payable on all classes of shares and any special distributions paid or payable during the period

The Company's loss provision as of December 1, 2015 was $3,818,939 (December 1, 2014: $2,504,440). As of March 1, 2016 it has utilized $158,415.70 of this provision.

2.4 Long Term Objectives

The Company's long term objectives are:

(i) to provide the holders of Preferred Shares with a return that is superior to term deposits, GICs and money market funds, with due consideration to preservation of their capital;

(ii) to maintain profitability on a sustainable basis;

(iii) to maintain the Company's status as an MIC under the Tax Act;

(iv) to carry on lending activities in Canada, but primarily in British Columbia, Alberta and Ontario;

(v) to offer loans to suitable borrowers who may need slightly more financing than larger institutional lenders may from time to time be willing to provide; and

(vi) to expand the assets of the Company to a value of $250,000,000 while maintaining a minimum annualized rate of return to investors of the Bank of Canada prime rate plus 3.75%, while maintaining a mortgage portfolio weighted average loan to value ratio of less than 70%.

2.5 Short Term Objectives and How the Company Intends to Achieve Them

The Company's business objectives for the next 12 months are:

(i) to raise additional capital to enhance the operating efficiency of the Company in conjunction with its long term objectives; and

(ii) to source appropriate lending opportunities to meet the challenge of providing superior returns in the current interest rate environment.

What the Company must do and how it will do it	Target completion date or, if not known, number of months to complete	The Company's cost to complete
The Company intends to raise capital pursuant to this Offering, to use the raised capital to fulfil its investment program as described in Items 2.2, 2.3 and 2.4 above, to expand its loan portfolio subject to market conditions, to maintain lending practices and to match up investor funds with suitable mortgages.	Since the Company has an ongoing investment program, there is no target completion date for its business plan. Investments will be made as the Company's available funds permit.	N/A

2.6 Insufficient Funds

The proceeds received from the Offering may not be sufficient to enable the Company to accomplish all of its proposed objectives and there is no assurance that alternative financing will be available.

2.7 Material Agreements

The Company has the following material agreements:

1. Financial Services Agreement between the Company and Alpine Credits Limited (see Item 2.2 - "*The Company's Business –Financial Services*" above).

2. Sublease Agreement between the Company and Alpine Credits Limited, dated May 1, 2015, pursuant to which the Company has subleased that portion of the retail and professional property under a head lease by Alpine Credits Limited and occupied by the Company. Pursuant to the sub-lease, the Company pays Alpine Credits Limited $3,000 per month in rent. The term of the sublease matches the term of the head lease which expires on April 30, 2020 and has a five year renewable option.

3. On May 11, 2015, the Company and a Canadian Chartered Bank entered into a commitment letter (the "Commitment Letter"). The Commitment Letter provides the Company with a revolving credit facility, with a credit limit capped at $40,000,000, secured by a general security agreement and a general assignment of mortgages which augments the Company's activities and allows it to borrow at interest rates less than it receives from its mortgage investments. Any borrowings by the Company will be payable on demand and bear interest at a floating rate of such Canadian Chartered Bank's prime lending rate, which at March 15, 2016 was 2.7% per annum, plus 0.50% per annum. Interest is calculated daily, compounded monthly and payable monthly. Overdue interest shall bear interest at the same rate. Among other covenants and conditions, the Commitment Letter requires the Company to comply with certain margin requirements and to maintain a certain (i) cash flow coverage ratio, (ii) tangible net worth, and (iii) debt to tangible net worth ratio. The Company must also report and provide financial statements and security information to the bank on a regular basis. The objective is to realize profit from such interest rate spread, and to use the leverage to increase returns to the Company's shareholders. On April 8, 2015, the Directors of the Company authorized the Company to borrow up to 30% of its total assets under management.

ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each Director, officer and promoter of the Company and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Company (a "**principal holder**"):

Name and municipality of principal residence(1)	Positions held and the date of obtaining that position	Compensation paid by Company (i) in the most recent financial year and (ii) anticipated to be paid in the current financial year	Number, type & percentage of securities of the Company held(2) after completion of Minimum Offering	Number, type & percentage of securities of the Company held(2) after completion of Maximum Offering
Harvey Wipp(3) Langley, BC	Director (since Sept. 20, 1984)	Nil	2,090,204 Preferred Shares (1.42%)	2,090,204 Preferred Shares (0.94%)
Brent Wipp(3) Langley, BC	Secretary & Director (since Sept. 20, 1984) CFO (since July 31, 2009)	Nil(4)	3,001,706 Preferred Shares (2.05%)	3,001,706 Preferred Shares (1.35%)
Kurt Wipp(3) New Westminster, BC	Director (since July 7, 2005) President & CEO (since Sept. 14, 2011)	Nil(4)	2,361,483 Preferred Shares (1.61%)	2,361,483 Preferred Shares (1.06%)
Kevin Budd North Vancouver, BC	Director (since Aug. 2, 2005)	(i) $18,000.00 (ii) $18,000.00	907,873 Preferred Shares (0.62%)	907,873 Preferred Shares (0.41%)
Graham Sawrey Delta, BC	Chief Compliance Officer (since June 10, 2013)	Nil(4)	319,450 Preferred Shares (0.22%)	319,450 Preferred Shares (0.14%)
Victor Yates Delta, BC	Director (since June 4, 2015)	(i) $9,000.00 (ii) $18,000.00(5)	1,110,730 Preferred Shares (0.76%)	1,110,730 Preferred Shares (0.50%)

Notes:

(1) Information as to municipality of residence has been provided by the individual Directors.
(2) Directly or indirectly.
(3) Harvey Wipp is the father of Brent Wipp and Kurt Wipp.
(4) The individual is not compensated by the Company, however, the individual is compensated from Alpine Credits Limited through the annual fee received by Alpine Credits Limited from the Company in accordance with the Financial Services Agreement.
(5) The individual is compensated by the Company and is also compensated from Alpine Credits Limited through the annual fee received by Alpine Credits Limited from the Company in accordance with the Financial Services Agreement.

As at the date of this Offering Memorandum, the Directors and officers of the Company, as a group, own 9,791,446 Preferred Shares representing 6.67% of the issued and outstanding Preferred Shares of the Company.

3.2 Management Experience

The following table sets out the principal occupations of the Directors and executive officers of the Company over the past five years and any relevant experience in a business similar to the Company's:

Kurt Wipp Kurt Wipp is currently the President and CEO of the Company and has been a director since April 2005. Mr. K. Wipp in his position as President and CEO of the Company is responsible for all investment management and oversees all of the Company's portfolio management, investor relations, regulatory affairs and corporate compliance. Since 2005, Mr. K. Wipp has been one of three managing directors of The Larson Financial Group which is a private holding company for multiple subsidiaries involved in mortgage investments, underwriting, origination and administration. In 2005, Mr. K. Wipp became a Director of Alpine Credits Limited. In 2011, Mr. K. Wipp became a director of both Get Acceptance Corporation and Aaron Acceptance Corporation where he is involved in mortgage origination and underwriting policies. Mr. K. Wipp has over 20 years of experience in finance in roles involving equity analysis, private equity investments, structured finance, corporate strategy, international finance and board of director representation. Mr. K. Wipp has a Master of Business Administration (MBA) from the University of British Columbia with a focus on finance and a Joint Honors degree in Economics and Business from Simon Fraser University. Mr. K. Wipp is a registered mortgage broker in British Columbia.

Brent Wipp Brent Wipp has been a director of the Company since 1984 and is currently its Chief Financial Officer. Since 2004, Mr. B. Wipp has been one of three managing directors of The Larson Financial Group which is a private holding company for multiple subsidiaries involved in mortgage investments, underwriting, origination and administration. In June 2010, Mr. B. Wipp became one of three managing directors of Alpine Credits Limited where he oversees mortgage origination and underwriting policies. In May of 2011, Mr. B. Wipp became a director of both Get Acceptance Corporation and Aaron Acceptance Corporation where he is involved in mortgage origination and underwriting policies. Mr. B. Wipp has been involved in the residential mortgage loan business for over 30 years. Mr. B. Wipp is a registered mortgage broker in both British Columbia and Alberta and has a Diploma of Technology from Selkirk College.

Kevin Budd Kevin Budd has been a director of the Company since October 2005. Mr. Budd has been the President and a director of Monashee Capital Corp. since January 2003 which is a mergers and acquisitions and corporate finance advisory company. In April 2005, Mr. Budd became a director of Flexstar Packaging Inc., which is involved in the flexible packaging business. Prior to 2003, Mr. Budd was a Senior Officer and Vice President of Methanex Corporation, a global petrochemical organization. Mr. Budd has a Master of Business Administration (MBA) through studies at the University of British Columbia and the London Business School (UK). Mr. Budd received an honors degree in Mechanical Engineering from the University of Waterloo. Mr. Budd completed his CSI Partners, Directors and Officers designation in 2014.

Harvey Wipp Harvey Wipp has been a director of the Company since inception and was the founder of the Company in 1984. Mr. H. Wipp has over 45 years' experience in the consumer loans and mortgage finance industry. Mr. H. Wipp is a registered mortgage broker in both British Columbia and Alberta.

Graham Sawrey Graham has been the Chief Compliance officer of the Company since June 10, 2013. Graham is a Chartered Investment Manager and has worked in the private mortgage industry since October of 2009. Prior to his involvement with the Company and the private mortgage industry, Graham worked as a financial advisor for four years. Graham holds a mortgage broker's license in Alberta, British Columbia and Ontario, has completed the Chartered Investment Manager certification through the Canadian Securities Institute and has a bachelor's degree in Science from the University of British Columbia.

Victor Yates Victor Yates has 46 years of financial, appraisal, real estate, building and development experience. He was a mortgage manager/appraiser for The Royal Trust Company before starting his own appraisal and development company. He is a retired AACI appraiser and is currently a director of Inter-Continental Mortgage Corporation, Continental Appraisals Ltd. and Hycroft Realty Limited. He is an entrepreneur having experience in the financial, building and development fields of residential and multifamily, manufactured homes, care facilities, commercial and tourist facilities throughout the province of British Columbia. He presently sits on the board of a publicly traded TSX exchange company.

3.3 Penalties, Sanctions and Bankruptcy

(a) There has been no penalty or sanction that has been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years, against:

(i) a Director, executive officer or control person of the Company; or

(ii) an issuer of which a person referred to in 3.3(a)(i) above was a director, executive officer or control person at that time

except that in May 2007, Messrs. Harvey Wipp and Brent Wipp (and other parties) agreed to a Consent Order with the Registrar of Mortgage Brokers pursuant to which they (and the other parties), were jointly and severally required to pay costs of $2,000 and an administrative penalty of $10,000 (which sums were paid) with respect to the following matters directly related to Messrs. Harvey Wipp and Brent Wipp: required signage for a mortgage company was not erected as stipulated, between 2003 and 2005 the Manager carried on business as a mortgage broker at an office address located at a different address then that disclosed in a registration renewal application and that the Manager advertised mortgage rates on its website without disclosing the Annual Percentage Rates associated with those rates.

(b) There has been no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, which has been in effect during the last 10 years with regard to any:

(i) Director, executive officer or control person of the Company; or

(ii) issuer of which a person referred to in 3.3(b)(i) above was a director, executive officer or control person at that time.

ITEM 4 – CAPITAL STRUCTURE

4.1 Share Capital

The authorized capital of the Company consists of (i) an unlimited number of voting common shares with a par value of $1.00 each; and (ii) an unlimited number of redeemable, voting preferred shares with a par value of $1.00 each.

Description of Security	Number authorized to be issued	Price per Security	Number outstanding as at March 15, 2016	Number outstanding after Minimum Offering	Number outstanding after Maximum Offering
Common Shares	Unlimited	par value of $1.00/share	Nil	Nil	Nil
Preferred Shares	Unlimited	par value of $1.00/share	146,739,933	146,739,933	221,739,933

4.2 Long Term Debt

The Company has no outstanding long term debt. However, the Company maintains a credit facility with a Canadian Chartered Bank secured by a general security agreement and a general assignment of the Company's mortgages.

4.3 Prior Sales

During the last 12 months, the Company has issued the following Preferred Shares:

Date of Issuance	Type of security issued	Number of Securities Issued	Price per Security	Total Funds Received
March 2, 2015	Preferred Shares	1,391,922	$1.00	$1,391,922
March 5, 2015	Preferred Shares	2,599,800	$1.00	$2,599,800
March 9, 2015	Preferred Shares	29,900	$1.00	$29,900
March 11, 2015	Preferred Shares	21,400	$1.00	$21,400
April 6, 2015	Preferred Shares	1,828,177	$1.00	$1,828,177
April 9, 2015	Preferred Shares	56,768	$1.00	$56,768
April 13, 2015	Preferred Shares	501,200	$1.00	$501,200
May 5, 2015	Preferred Shares	1,378,005	$1.00	$1,378,005
May 7, 2015	Preferred Shares	267,100	$1.00	$267,100
May 11, 2015	Preferred Shares	118,343	$1.00	$118,343
May 12, 2015	Preferred Shares	17,500	$1.00	$17,500
May 14, 2015	Preferred Shares	234,320	$1.00	$234,320
June 1, 2015	Preferred Shares	109,921	$1.00	$109,921
June 3, 2015	Preferred Shares	731,960	$1.00	$731,960
June 5, 2015	Preferred Shares	1,000	$1.00	$1,000
June 9, 2015	Preferred Shares	249,855	$1.00	$249,855
July 5, 2015	Preferred Shares	1,000	$1.00	$1,000
July 6, 2015	Preferred Shares	2,682,594	$1.00	$2,682,594
July 9, 2015	Preferred Shares	441,763	$1.00	$441,763
July 13, 2015	Preferred Shares	167,464	$1.00	$167,464
July 14, 2015	Preferred Shares	4,966	$1.00	$4,966
July 15, 2015	Preferred Shares	225,000	$1.00	$225,000
August 5, 2015	Preferred Shares	1,000	$1.00	$1,000
August 6, 2015	Preferred Shares	1,993,777	$1.00	$1,993,777
August 10, 2015	Preferred Shares	215,000	$1.00	$215,000
August 11, 2015	Preferred Shares	20,000	$1.00	$20,000
August 13, 2015	Preferred Shares	90,000	$1.00	$90,000
September 3, 2015	Preferred Shares	1,054,597	$1.00	$1,054,597
September 5, 2015	Preferred Shares	1,000	$1.00	$1,000
September 8, 2015	Preferred Shares	2,050,000	$1.00	$2,050,000
September 10, 2015	Preferred Shares	500,000	$1.00	$500,000
September 11, 2015	Preferred Shares	22,000	$1.00	$22,000
September 29, 2015	Preferred Shares	2,400,491	$1.00	$2,400,491
October 1, 2015	Preferred Shares	12,250	$1.00	$12,250
October 5, 2015	Preferred Shares	621,000	$1.00	$621,000
October 8, 2015	Preferred Shares	1,419,077	$1.00	$1,419,077
November 5, 2015	Preferred Shares	1,000,324	$1.00	$1,000,324
November 9, 2015	Preferred Shares	1,595,578	$1.00	$1,595,578

November 12, 2015	Preferred Shares	125,869	$1.00	$125,869
December 3, 2015	Preferred Shares	799,500	$1.00	$799,500
December 7, 2015	Preferred Shares	680,000	$1.00	$680,000
December 10, 2015	Preferred Shares	320,495	$1.00	$320,495
December 11, 2015	Preferred Shares	150,000	$1.00	$150,000
January 7, 2016	Preferred Shares	633,530	$1.00	$633,530
January 11, 2016	Preferred Shares	206,000	$1.00	$206,000
January 12, 2016	Preferred Shares	10,000	$1.00	$10,000
January 14, 2016	Preferred Shares	175,741	$1.00	$175,741
January 15, 2016	Preferred Shares	804,000	$1.00	$804,000
February 4, 2016	Preferred Shares	1,468,386	$1.00	$1,468,386
February 9, 2016	Preferred Shares	151,430	$1.00	$151,430
February 11, 2016	Preferred Shares	400,000	$1.00	$400,000
March 3,2016	Preferred Shares	150,000	$1.00	$150,000
March 4, 2016	Preferred Shares	751,004	$1.00	$751,004
March 7, 2016	Preferred Shares	107,147	$1.00	$107,147
March 8, 2016	Preferred Shares	20,704	$1.00	$20,704
March 10, 2016	Preferred Shares	2,210,500	$1.00	$2,210,500
March 11, 2016	Preferred Shares	499,518	$1.00	$499,418
Total		**35,719,876**		**$35,719,876**

During the last two fiscal years, the Company has redeemed the following Preferred Shares:

Date of Redemption	Type of security issued	Number of Securities Redeemed	Price per Security	Total Funds Redeemed
December 1, 2013	Preferred Shares	12,300	$1.00	$12,300
December 5, 2013	Preferred Shares	5,000	$1.00	$5,000
December 6, 2013	Preferred Shares	144,828	$1.00	$144,828
December 16, 2013	Preferred Shares	90,734	$1.00	$90,734
December 23, 2013	Preferred Shares	105,580	$1.00	$105,580
December 30, 2013	Preferred Shares	12,000	$1.00	$12,000
January 1, 2014	Preferred Shares	56,135	$1.00	$56,135
January 2, 2014	Preferred Shares	20,605	$1.00	$20,605
January 3, 2014	Preferred Shares	1,850	$1.00	$1,850
January 8, 2014	Preferred Shares	8,300	$1.00	$8,300
January 10, 2014	Preferred Shares	3,780	$1.00	$3,780
January 15, 2014	Preferred Shares	48,971	$1.00	$48,971
January 16, 2014	Preferred Shares	30,850	$1.00	$30,850
January 17, 2014	Preferred Shares	13,870	$1.00	$13,870
January 21, 2014	Preferred Shares	11,000	$1.00	$11,000
January 28, 2014	Preferred Shares	10,000	$1.00	$10,000
February 1, 2014	Preferred Shares	227,468	$1.00	$227,468
February 3, 2014	Preferred Shares	31,943	$1.00	$31,943
February 7, 2014	Preferred Shares	47,238	$1.00	$47,238
February 10, 2014	Preferred Shares	40,378	$1.00	$40,378
February 11, 2014	Preferred Shares	10,320	$1.00	$10,320
February 12, 2014	Preferred Shares	14,000	$1.00	$14,000
February 26, 2014	Preferred Shares	18,542	$1.00	$18,542
February 28, 2014	Preferred Shares	39,285	$1.00	$39,285

March 1, 2014	Preferred Shares	11,000	$1.00	$11,000
March 6, 2014	Preferred Shares	6,210	$1.00	$6,210
March 11, 2014	Preferred Shares	22,182	$1.00	$22,182
April 1, 2014	Preferred Shares	286,167	$1.00	$286,167
April 8, 2014	Preferred Shares	16,046	$1.00	$16,046
April 17, 2014	Preferred Shares	52,400	$1.00	$52,400
April 22, 2014	Preferred Shares	92	$1.00	$92
May 1, 2014	Preferred Shares	646,285	$1.00	$646,285
May 2, 2014	Preferred Shares	13,338	$1.00	$13,338
May 6, 2014	Preferred Shares	10,000	$1.00	$10,000
May 7, 2014	Preferred Shares	19,500	$1.00	$19,500
May 16, 2014	Preferred Shares	65,001	$1.00	$65,001
May 21, 2014	Preferred Shares	10,081	$1.00	$10,081
May 22, 2014	Preferred Shares	23,435	$1.00	$23,435
May 28, 2014	Preferred Shares	15,000	$1.00	$15,000
June 1, 2014	Preferred Shares	11,000	$1.00	$11,000
June 2, 2014	Preferred Shares	50,000	$1.00	$50,000
June 4, 2014	Preferred Shares	230	$1.00	$230
June 5, 2014	Preferred Shares	70,000	$1.00	$70,000
June 12, 2014	Preferred Shares	10,000	$1.00	$10,000
July 1, 2014	Preferred Shares	11,400	$1.00	$11,400
July 14, 2014	Preferred Shares	15,000	$1.00	$15,000
July 16, 2014	Preferred Shares	16,000	$1.00	$16,000
August 1, 2014	Preferred Shares	230,407	$1.00	$230,407
August 19, 2014	Preferred Shares	10,000	$1.00	$10,000
September 1, 2014	Preferred Shares	11,400	$1.00	$11,400
September 11, 2014	Preferred Shares	23,495	$1.00	$23,495
September 16, 2014	Preferred Shares	38,237	$1.00	$38,237
September 18, 2014	Preferred Shares	200,000	$1.00	$200,000
September 22, 2014	Preferred Shares	9,575	$1.00	$9,575
September 23, 2014	Preferred Shares	2,424	$1.00	$2,424
October 1, 2014	Preferred Shares	197,865	$1.00	$197,865
October 9, 2014	Preferred Shares	60,290	$1.00	$60,290
October 14, 2014	Preferred Shares	200	$1.00	$200
November 1, 2014	Preferred Shares	220,101	$1.00	$220,101
November 10, 2014	Preferred Shares	2,800	$1.00	$2,800
November 14, 2014	Preferred Shares	20,754	$1.00	$20,754
November 21, 2014	Preferred Shares	54,786	$1.00	$54,786
November 24, 2014	Preferred Shares	24,852	$1.00	$24,852
November 28, 2014	Preferred Shares	91,575	$1.00	$91,575
November 30, 2014	Preferred Shares	559,133	$1.00	$559,133
December 1, 2014	Preferred Shares	11,400	$1.00	$11,400
December 4, 2014	Preferred Shares	3,750	$1.00	$3,750
December 9, 2014	Preferred Shares	30,000	$1.00	$30,000
December 11, 2014	Preferred Shares	65,500	$1.00	$65,500
December 12, 2014	Preferred Shares	113,530	$1.00	$113,530
December 16, 2014	Preferred Shares	11,210	$1.00	$11,210
December 18, 2014	Preferred Shares	37,000	$1.00	$37,000
December 22, 2014	Preferred Shares	20,000	$1.00	$20,000
December 24, 2014	Preferred Shares	30,000	$1.00	$30,000
December 29, 2014	Preferred Shares	49,405	$1.00	$49,405

December 30, 2014	Preferred Shares	43,000	$1.00	$43,000
January 1, 2015	Preferred Shares	16,400	$1.00	$16,400
January 6, 2015	Preferred Shares	71,346	$1.00	$71,346
January 7, 2015	Preferred Shares	60,000	$1.00	$60,000
January 9, 2015	Preferred Shares	31,290	$1.00	$31,290
January 21, 2015	Preferred Shares	5,578	$1.00	$5,578
February 1, 2015	Preferred Shares	233,662	$1.00	$233,662
February 3, 2015	Preferred Shares	73,000	$1.00	$73,000
February 4, 2015	Preferred Shares	15,000	$1.00	$15,000
February 10, 2015	Preferred Shares	36,885	$1.00	$36,885
February 11, 2015	Preferred Shares	50,000	$1.00	$50,000
February 17, 2015	Preferred Shares	229,330	$1.00	$229,330
February 18, 2015	Preferred Shares	250,000	$1.00	$250,000
February 25, 2015	Preferred Shares	2,665	$1.00	$2,665
February 26, 2015	Preferred Shares	35,210	$1.00	$35,210
March 1, 2015	Preferred Shares	40,183	$1.00	$40,183
March 2, 2015	Preferred Shares	6,000	$1.00	$6,000
March 5, 2015	Preferred Shares	50,000	$1.00	$50,000
March 6, 2015	Preferred Shares	30,000	$1.00	$30,000
March 10, 2015	Preferred Shares	4,575	$1.00	$4,575
March 11, 2015	Preferred Shares	8,417	$1.00	$8,417
March 12, 2015	Preferred Shares	11,000	$1.00	$11,000
March 13, 2015	Preferred Shares	2,000	$1.00	$2,000
March 16, 2015	Preferred Shares	63,219	$1.00	$63,219
March 18, 2015	Preferred Shares	3,000	$1.00	$3,000
March 31, 2015	Preferred Shares	4,187	$1.00	$4,187
April 1, 2015	Preferred Shares	38,459	$1.00	$38,459
April 8, 2015	Preferred Shares	1,200,000	$1.00	$1,200,000
April 22, 2015	Preferred Shares	25,000	$1.00	$25,000
April 24,2015	Preferred Shares	20,000	$1.00	$20,000
April 27, 2015	Preferred Shares	52,166	$1.00	$52,166
April 30, 2015	Preferred Shares	11,150	$1.00	$11,150
May 1, 2015	Preferred Shares	397,347	$1.00	$397,347
May 14, 2015	Preferred Shares	20,000	$1.00	$20,000
May 18, 2015	Preferred Shares	16,179	$1.00	$16,179
May 21,2015	Preferred Shares	162	$1.00	$162
May 26, 2015	Preferred Shares	17,537	$1.00	$17,537
May 31, 2015	Preferred Shares	100,000	$1.00	$100,000
June 1, 2015	Preferred Shares	439,352	$1.00	$439,352
June 7, 2015	Preferred Shares	15,000	$1.00	$15,000
June 8, 2015	Preferred Shares	10,500	$1.00	$10,500
June 11, 2015	Preferred Shares	15,000	$1.00	$15,000
June 23, 2015	Preferred Shares	1,096	$1.00	$1,096
July 1, 2015	Preferred Shares	16,400	$1.00	$16,400
July 6, 2015	Preferred Shares	63,565	$1.00	$63,565
July 7, 2015	Preferred Shares	180,000	$1.00	$180,000
July 9, 2015	Preferred Shares	10,000	$1.00	$10,000
July 15, 2015	Preferred Shares	5,758	$1.00	$5,758
July 23, 2015	Preferred Shares	1,500	$1.00	$1,500
July 24, 2015	Preferred Shares	58,454	$1.00	$58,454
August 1, 2015	Preferred Shares	222,269	$1.00	$222,269

August 18, 2015	Preferred Shares	45,000	$1.00	$45,000
August 19, 2015	Preferred Shares	8,880	$1.00	$8,880
August 24, 2015	Preferred Shares	2,100	$1.00	$2,100
September 1, 2015	Preferred Shares	38,505	$1.00	$38,505
September 4, 2015	Preferred Shares	11,600	$1.00	$11,600
September 5, 2015	Preferred Shares	15,000	$1.00	$15,000
September 9, 2015	Preferred Shares	800	$1.00	$800
September 10, 2015	Preferred Shares	155,000	$1.00	$155,000
September 15, 2015	Preferred Shares	4,896	$1.00	$4,896
October 1, 2015	Preferred Shares	41,305	$1.00	$41,305
October 2, 2015	Preferred Shares	9,105	$1.00	$9,105
October 5,2015	Preferred Shares	99,208	$1.00	$99,208
October 9, 2015	Preferred Shares	333,552	$1.00	$333,552
October 13, 2015	Preferred Shares	150,000	$1.00	$150,000
October 14, 2015	Preferred Shares	10,000	$1.00	$10,000
October 15, 2015	Preferred Shares	85,000	$1.00	$85,000
October 20, 2015	Preferred Shares	26,686	$1.00	$26,686
October 26, 2015	Preferred Shares	44,500	$1.00	$44,500
October 27, 2015	Preferred Shares	104,131	$1.00	$104,131
October 30, 2015	Preferred Shares	3,500	$1.00	$3,500
November 1, 2015	Preferred Shares	211,616	$1.00	$211,616
November 2, 2015	Preferred Shares	33,000	$1.00	$33,000
November 3, 2015	Preferred Shares	6,580	$1.00	$6,580
November 4, 2015	Preferred Shares	7,500	$1.00	$7,500
November 9, 2015	Preferred Shares	26,930	$1.00	$26,930
November 10, 2015	Preferred Shares	40,000	$1.00	$40,000
November 24, 2015	Preferred Shares	5,200	$1.00	$5,200
November 30, 2015	Preferred Shares	643,891	$1.00	$643,891
December 1, 2015	Preferred Shares	16,400	$1.00	$16,400
December 2, 2015	Preferred Shares	23,908	$1.00	$23,908
December 3, 2015	Preferred Shares	9,000	$1.00	$9,000
December 4, 2015	Preferred Shares	122,261	$1.00	$122,261
December 7, 2015	Preferred Shares	19,203	$1.00	$19,203
December 8, 2015	Preferred Shares	30,000	$1.00	$30,000
December 11, 2015	Preferred Shares	34,000	$1.00	$34,000
December 14, 2015	Preferred Shares	14,590	$1.00	$14,590
December 15, 2015	Preferred Shares	15,000	$1.00	$15,000
December 16, 2015	Preferred Shares	100,000	$1.00	$100,000
December 17, 2015	Preferred Shares	5,500	$1.00	$5,500
December 18, 2015	Preferred Shares	3,600	$1.00	$3,600
December 30, 2015	Preferred Shares	16,500	$1.00	$16,500
January 1, 2016	Preferred Shares	16,500	$1.00	$16,500
January 6, 2016	Preferred Shares	15,000	$1.00	$15,000
January 8, 2016	Preferred Shares	100,000	$1.00	$100,000
January 22, 2016	Preferred Shares	5,000	$1.00	$5,000
January 26, 2016	Preferred Shares	50,000	$1.00	$50,000
February 1, 2016	Preferred Shares	199,026	$1.00	$199,026
February 2, 2016	Preferred Shares	19,582	$1.00	$19,582
February 3, 2016	Preferred Shares	4,067	$1.00	$4,067
February 9, 2016	Preferred Shares	100,000	$1.00	$100,000
February 10, 2016	Preferred Shares	21,392	$1.00	$21,392

February 11, 2016	Preferred Shares	8,347	$1.00	$8,347
February 12, 2016	Preferred Shares	8,263	$1.00	$8,263
February 15, 2016	Preferred Shares	16,913	$1.00	$16,913
February 18, 2016	Preferred Shares	492	$1.00	$492
February 26, 2016	Preferred Shares	75,000	$1.00	$75,000
Total		**12,040,903**		**$12,040,903**

During its most recently completed financial year ended November 30, 2015, the Company received requests to redeem 6,848,121 Preferred Shares. In addition, subsequent to the fiscal year ended November 30, 2015, the Company received requests to redeem 1,049,544 Preferred Shares. The Company honored all of these redemptions and redeemed an aggregate of 7,897,665 Preferred Shares. The Company used funds available from net income, discharged mortgage investments, bank debt and proceeds from the issuance of Preferred Shares to honor these redemptions.

During the financial year ended November 30, 2014, the Company received requests to redeem 4,143,238 Preferred Shares, which was honored and the Company redeemed the 4,143,238 Preferred Shares. The Company used funds available from net income, discharged mortgage investments, bank debt and proceeds from the issuance of Preferred Shares to honor these redemptions.

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

The Company is offering up to 75,000,000 Preferred Shares at $1.00 per Preferred Share. The Preferred Shares have a par value of $1.00 and have the following material terms:

(a) Dividend Entitlement

Within ninety (90) days after the end of each fiscal year of the Company, the holders of the Preferred Shares will receive when and as declared by the Directors, 100% of the profits of the Company properly available for the payment of dividends, if any. Such dividends may, at the absolute discretion of the Directors, be paid either in cash or by the allotment and issuance of Preferred Shares. Where the registered owner of Preferred Shares at the fiscal year end of the Company, has held such shares for less than all of the twelve (12) months of the Company's fiscal year then the dividends payable on such shares will equal the dividends otherwise payable times the number of days in the fiscal year the shares were held divided by the number of days in the calendar year.

(b) Redemption Rights by the Company

The Company may, pursuant to Part 28 of its Articles and subject to the provisions of the *Business Corporations Act* (British Columbia), redeem a Preferred Share upon payment to the holder thereof a sum equal to the book value of the Preferred Share plus all dividends declared and unpaid on that Preferred Share. When the Company proposes to redeem some but not all of the outstanding Preferred Shares, the Directors will have the absolute discretion to determine the Preferred Shares to be redeemed, and there is no requirement for the Company to make such redemption pro rata among every member who holds Preferred Shares.

(c) Mandatory Redemption on Death of Owner

Upon the death of an owner of Preferred Shares, the Company will, within twelve (12) months after the end of the month in which such death occurred, and subject to the provisions of the *Business Corporations Act* (British Columbia), redeem all the Preferred Shares owned by such owner and his or her RRSP/RRIF on the date of death, by paying to the holder(s) thereof a sum of money equal to the book value of the Preferred Shares plus all dividends declared and unpaid on such Preferred Shares calculated as of the end of the month previous to the month in which such death occurred.

(d) Redemption by a Preferred Shareholder

At any time an owner of Preferred Shares may, subject to the provisions of the *Business Corporations Act* (British Columbia), give to the Company irrevocable notice that he or she wishes the Company to redeem some or all of the Preferred Shares owned by such holder. The redemption notice must be sent by registered mail or delivered to the registered office of the Company. Within three hundred and sixty-five (365) days after the redemption notice is received, the Company will, subject to the provisions below, redeem the Preferred Shares specified in the redemption notice by paying to the holder of the Preferred Shares upon surrender of the share certificates endorsed in bearer form representing the shares to be redeemed, in accordance with the instructions contained in the redemption noticed, a sum of money equal to the book value of the Preferred Shares specified in the redemption notice plus all dividends declared and unpaid on such Preferred Shares.

The Company cannot redeem the Preferred Shares if the Company is insolvent at the time of redemption, or if the redemption would render it insolvent, or if such redemption would result in the Company losing its status as a MIC.

The Directors may determine, in their absolute discretion, that the Company shall not in any one fiscal year redeem more than five percent (5%) of the number of issued Preferred Shares. In the event of such determination, the Directors will, by resolution, determine the Preferred Shares to be redeemed in that fiscal year by the dates the redemption notices were received by the Company, with the Preferred Shares set out in the redemption notices in the possession of the Company the longer time being redeemed prior to the Preferred Shares set out in the redemption notices in the possession of the Company the shorter time. From and after the date of delivery of the redemption notice, the holder of the Preferred Shares specified for redemption in the redemption notice will continue to be entitled to dividends and will continue to be entitled to any other rights in respect of such shares until payment in full of the redemption amount, at which time all rights in respect of such shares will become null and void.

(e) Priority on Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding up of the Company or other distribution of its property or assets among shareholders, distributions of the property or assets will be made:

(i) first, to pay all amounts owing under the revolving credit facility held with a Canadian Chartered Bank (see Item 2.7.3 **–** "Material Agreements" above);

(ii) next, to the holders of the Preferred Shares, pro rata in accordance with the number of Preferred Shares held, which holders will be entitled to receive a sum equal to the par value of each Preferred Share held together with all dividends declared and unpaid thereon.

(f) Constraints on Transferability

Part 27.3 of the Company's Articles provides that no share or designated security may be sold, transferred or otherwise disposed of without the consent of the Directors and the Directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

The Directors intend to refuse registration of an allotment or any transfer of shares which would result in the Company ceasing to meet the qualifications of a MIC. See also Item 10 - "Resale Restrictions" for further restrictions on the transferability of the Company's Preferred Shares.

(g) Voting Rights

The holders of Preferred Shares of the Company are entitled to receive notice of, attend and vote at any general meeting of the Company and to case one vote for each Preferred Share held on the applicable record date in respect of any matter put to vote at such a meeting.

5.2 Subscription Procedure

The Company may terminate this Offering at any time without notice and in such case, the Company will not be required to accept later subscriptions. Closings may occur from time to time as determined by the Company provided that such closings will occur no earlier than two (2) business days after a subscription is received by the Company and no later than thirty (30) calendar days after the Company has received a subscription.

There is no minimum subscription amount an investor must invest.

Purchasers wishing to purchase Preferred Shares must submit to the Company at its head office address shown at the beginning of page one:

1. A completed Subscription Agreement (including all applicable schedules and/or exhibits) in the form provided by the Company;

2. Two executed Form 45-106F4 Risk Acknowledgements in the form attached to this Offering Memorandum as Schedule “A”;

3. A certified cheque or bank draft or other payment acceptable to the Company in the amount of your total investment payable to the Company or to its designated agents.

The Company will hold your subscription funds in trust until midnight on the second business day after the day on which your signed Subscription Agreement is received. The Company will return all consideration to you if you exercise the right to cancel the Subscription Agreement within the prescribed time.

Upon acceptance, the subscription price for the Preferred Shares will be deposited in a designated bank account. Upon the Preferred Shares having been issued, the subscription price will be made available to the Company for use in its business as set out in this Offering Memorandum.

The Company reserves the right to accept or reject subscriptions in whole or in part at its discretion and to close the subscription books at any time without notice. Any subscription funds for subscriptions that the Company does not accept will be returned promptly after it has determined not to accept the funds.

Notwithstanding the above, subscription agreements from Trustees for RRSPs, RRIFs or Deferred Profit Savings Plans under the Tax Act will be accepted by the Company without the accompanying payment, to accommodate their administrative procedures. In such case, the share certificates for the Preferred Shares will be delivered by the Company in exchange for payment of the subscription price.

ITEM 6 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Purchasers’ Independent Tax Advice

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.2 MIC Status; Income Tax Consequences

The income tax consequences are a material aspect of the Preferred Shares being offered pursuant to this Offering Memorandum. The following is a summary prepared by the Company’s auditor, MNP LLP (previously KN&V Chartered Accountants LLP, which merged with MNP LLP effective February 1, 2015), of the principal Canadian federal income tax considerations generally applicable, as of the date of this Offering Memorandum, to a subscriber pursuant to the Offering. This summary is applicable only to a person who subscribes, as principal, for Preferred Shares pursuant to the terms of this Offering Memorandum, who is a resident of Canada for the purposes of the Tax Act, who holds their interest in the Company as capital property and deals at arm’s length with and is not affiliated with the Company or Alpine Credits Limited.

This summary is based upon the current provisions of the Tax Act, the Regulations, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date of this Offering Memorandum, and the current published administrative practices and policies of the CRA. Except as described in the immediately preceding sentence, this summary does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action or decision. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations. No ruling has been sought from the CRA as to the tax position of the Company or its shareholders.

This summary is of a general nature only and is not intended, nor should it be construed, to be legal or tax advice to any particular prospective investor. The income and other tax consequences to a subscriber of acquiring, holding or disposing of Preferred Shares in the Company vary according to the status of the subscriber, the province in which the subscriber resides or carries on business and the subscriber's own particular circumstances. Each subscriber should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of acquiring, holding and disposing of Preferred Shares in the Company based on such subscriber's own particular circumstances.

(a) Scheme of Provisions

The Tax Act contains a number of provisions that enable investors to "pool" their funds through investing in special corporations which are treated in a manner that avoids the two-tiered taxation normally applicable to shareholders of a corporation in respect of distributions of that corporation's profits. This result is achieved by effectively treating these special corporations as a conduit so that an investor is put in the same position from an income tax perspective as if the corporation's investment had been made directly by the investor. A MIC is one of these special types of corporations.

(b) Definition of a MIC

A number of requirements must have been met throughout the year in order for a corporation to qualify as a MIC under the Tax Act for that year. If the following requirements are met throughout a particular year, a corporation will qualify for MIC status that year:

(i) The corporation must have been a Canadian corporation, which generally means a corporation incorporated and resident in Canada.

(ii) The corporation's only undertaking was the "investing of funds of the corporation". The corporation cannot have managed or developed any real property.

(iii) At least 50% of the "cost amount", as defined in the Tax Act, to the corporation of all of its property must have consisted of the corporation's money, debts owing to the corporation that were secured on certain specified residential properties, and any deposit standing to the corporation's credit in the records of a bank or other certain specified financial institutions.

(iv) The "cost amount" to the corporation of all of its real property including leasehold interest in such property, other than real property acquired by foreclosure or otherwise after default made on a mortgage, hypothecation or agreement for sale of real property, must not have exceeded 25% of the "cost amount" to the corporation of all of its property. The limit is designed to ensure that the primary intention of the corporation's investment was directed towards residential mortgages.

(v) None of the property of the corporation consists of debts owing to the corporation that were secured on real property situated outside Canada, debts owing to the corporation by non-resident persons unless secured on real property situated in Canada, shares of the capital stock of corporations not resident in Canada, real property situated outside Canada, or any leasehold interest in real property situated outside Canada.

(vi) The number of shareholders of the corporation was not less than 20, and no one shareholder, alone or together with the person's spouse, children under the age of 18, and other related parties, held more than 25% of the issued shares of any class of the capital stock of the corporation. For the purposes of this requirement, a registered pension plan or a deferred profit sharing plan is counted as four shareholders. A trust governed by a registered retirement savings plan is counted as one shareholder.

(vii) Any holders of preferred shares (as defined in the Tax Act) of the corporation must have the right after payment to them of their dividends, and payment of dividends in a like amount per share to the holders of common shares of the corporation, to participate *pari passu* with the holders of the common shares in any further payment of dividends.

A common share is defined as a share, the holder of which is not precluded on the reduction or redemption of the capital stock from participating in the assets of the corporation beyond the amount paid thereon plus a fixed premium and a defined rate of dividend.

(viii) The "liabilities" of a corporation (all obligations of a corporation to pay an amount outstanding at that time) at any time in the year must not exceed three times the excess of the "cost amount" to a corporation of all of its property over such liabilities, if at any time in the year the "cost amount" to a corporation of the properties referred to above under subheading (iii) "50% Asset Test" is less than two-thirds of the "cost amount" to a corporation of its property. However, where any time in the year the "cost amount" to a corporation of the properties referred to above under subheading (iii) "50% Asset Test" is equal to two-thirds or more of the "cost amount" to a corporation of all of its property, the liabilities of a corporation must not exceed five times the excess of the "cost amount" to a corporation of all of its property over such liabilities. In summary, the borrowing by a corporation is restricted to a maximum of three times its equity capital unless at least two-thirds of the book value of its investments are mortgages secured on Canadian residential property, the corporation's money, and specified deposits, in which case the maximum borrowing is five times its equity capital.

(c) Taxation of Issuer

This discussion, and the discussion that follows under subsequent headings, is based on the assumption that the Company qualifies as a MIC under the Tax Act at all relevant times. A MIC, as a general rule, is subject to tax on the same basis as any Canadian public corporation. However, special rules relating to a MIC enable it to reduce its federal taxable income in the year if, during the year or within 90 days after the end of the year, it distributed all of its capital gains arising in the year by way of "capital gains dividends" and all of its other income by way of taxable dividends. More specifically, the Company is entitled to deduct from its federal taxable income the total of:

(i) all taxable dividends, other than capital gains dividends, paid by the corporation during the year (to the extent not deductible in computing income of the previous year) or within 90 days after the end of the year to the extent that those dividends will not be deductible for the Company in computing its income for the preceding year; and

(ii) one-half of all capital gains dividends paid by the corporation during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year.

If all of the Company's federal taxable income for the year is distributed in this manner, no federal tax is payable by the Company for that year. The elimination of provincial tax depends on relevant provincial legislation. For example, in British Columbia no corporate income tax would be payable if the Company's federal taxable income was zero because the Company's income tax for British Columbia's income tax purposes is calculated by reference to its taxable income for federal tax purposes. Because of the permitted deductions outlined above, the Company is not entitled to the deduction in respect of taxable dividends the Company receives from other taxable Canadian corporations.

The Company must elect in order to distribute its capital gains as capital gains dividends. The election must be made in a prescribed manner and by a prescribed time. The total capital gains dividends that may be paid by the Company for a year is limited to the extent of two times (i.e., double) the Company's "taxable capital gains" for the year less its allowable capital losses for the year and any "net allowable capital losses" of prior years that are carried forward and deducted in the year. A special tax is imposed on the Company if the capital gains dividends exceed this limit. However, there is a special election procedure, whereby this tax can be avoided in certain circumstances if the excess of the dividend is elected to be treated as a separate taxable dividend.

(d) Taxation of Shareholders

(i) Capital Gains Dividends

A capital gains dividend received by a Canadian resident shareholder is not included as dividend income of the shareholder, but rather is deemed to be a capital gain of the shareholder for the year from “a disposition of capital property”. Thus, with respect to capital gains realized by the Company, the Company serves effectively as a conduit only interposed between the investor and the underlying investment. The result is only achieved, however, if the capital gains dividends are paid by the Company within the required time, and the proper elections are made by the Company in the proper manner and by the proper time. If the capital gains dividends are not paid in this matter, the capital gains realized by the Company are taxable to the Company as they would be in the case of any public company. Because the Company will have no “capital dividend account”, the combined corporate and shareholder tax (when the amounts are paid out to the investor as taxable dividends) could be significantly greater than if the conduit mechanism was used.

(ii) Taxable Dividends (Other than Capital Gains Dividends)

Dividends other than capital gains dividends paid by the Company are not included in the income of a shareholder as taxable dividends, but rather are deemed to have been received by the shareholder as interest income payable on a bond issued by the Company after 1971. The “gross-up/dividend tax credit” mechanism provided in the Tax Act does not apply to taxable dividends paid by the Company to Canadian resident individual shareholders. Canadian resident corporate shareholders are not entitled to deduct the amount of a taxable dividend received from a MIC in computing taxable income. If the Company distributes all of its income, it is again effectively treated as a conduit between the investor and the underlying investment, at least with respect to rental and interest income earned.

As is the case with capital gains dividends, if the Company does not distribute all of its income within the required time by way of taxable dividends, the income remains taxable in the Company in the same manner as any other public corporation. When amounts are subsequently distributed to the shareholders through the payment of taxable dividends, the combined corporate and shareholder tax may be significantly higher than if the conduit mechanism was used.

(iii) Disposition of Preferred Shares

Assuming the Preferred Shares are capital property to the investor, the usual rules apply on the disposition of those Preferred Shares as would apply on similar shares of any other public corporation. Certain taxpayers, such as securities dealers and those who have acquired the Preferred Shares in the course of a business of buying and selling shares or in a transaction that is an “adventure in the nature of trade”, would not be considered to be holders of the Preferred Shares as capital property. Dispositions to third parties and deemed dispositions, such as those arising on emigration or death, would yield capital gains or capital losses according to the usual rules contained in the Tax Act. A capital gain (or capital loss) will arise to the extent that the proceeds of disposition of the Preferred Shares exceed (or are exceeded by) the adjusted cost base (as defined for income tax purposes) of the shares and any disposition costs.

Redemptions or other acquisitions of the Preferred Shares by the Company (for example, on a winding up) may result in taxable capital gains or allowable capital losses or deemed taxable dividends to the shareholder/investor. The treatment for income tax purposes will depend on the paid-up capital of the Preferred Shares redeemed or otherwise acquired by the Company. If a taxable dividend results, it will likely be characterized as interest received in the hands of the shareholder. (It may not be possible for the Company to elect to treat such a deemed dividend as a capital gains dividend). Any amount that represents the payment of a declared but unpaid dividend that is distributed on the redemption or other acquisition of the share by the Company, and which is not a capital gains dividend, will be characterized as interest received by the shareholder.

One-half of any capital gain that is realized on the disposition of the Preferred Shares will be included in the shareholder's income. Any amount that is deemed to be interest or a capital gains dividend on the redemption or other acquisition of the Preferred Shares by the Company is not included in determining the proceeds of disposition of the Preferred Shares for capital gains purposes.

(iv) Deferred Income Plans

The Preferred Shares are qualified investments for trusts governed by Registered Retirement Savings Plans ("RRSP"), Deferred Profit Sharing Plans ("DPSP"), Registered Education Savings Plans ("RESP"), Registered Retirement Income Funds ("RRIF") and Tax Free Savings Accounts ("TFSA") (collectively, "Deferred Income Plans") at a particular time if the Company qualifies as a MIC under the Tax Act, and if, throughout the calendar year in which the particular time occurs, the Company does not hold as part of its property any indebtedness, whether by way of mortgage or otherwise of a person who is an annuitant, a beneficiary or an employer, as the case may be, under the governing plan trust, or of any other person who does not deal at arm's length with that person.

Dividends received by such deferred income plans on shares while the Preferred Shares are qualified investments for such plans will be exempt from taxation in accordance with the provisions of the Tax Act governing those plans. If the preferred shares are a "prohibited investment , the dividends will be subject to tax and penalties will apply . A prohibited investment includes shares in a corporation if (i) the annuitant has a "significant interest" in the corporation or (ii) the corporation does not deal at arms length with the annuitant . An annuitant has a "significant interest " if he or she owns ,directly or indirectly, 10 % or more of the issued shares of any class of the corporation. This definition includes all shares owned by the annuitant and the deferred income plan . In addition to shares actually owned , for this purpose , the annuitant is also deemed to own any shares that are owned by any person related to the annuitant or does not deal at arm's length with the annuitant.

If the Corporation fails to qualify as a MIC at any time throughout a taxation year, the Preferred Shares may cease to be a qualified investment for a Deferred Income Plan throughout such period, in which case a Deferred Income Plan that holds Preferred Shares will be subject to a penalty tax. If certain Deferred Income Plans hold a non-qualified investment at any time during a particular year, such Deferred Income Plan will be subject to a tax under certain provisions of the Tax Act in respect of income from such non-qualified investment. RESPs which hold non-qualified investments can have their registration revoked by the Canada Revenue Agency.

Notwithstanding that the Preferred Shares may be qualified investments for a trust governed by an RRSP, RRIF or TFSA, the annuitant of an RRSP or RRIF, or the holder of a TFSA, will be subject to a penalty tax if such securities are a "prohibited investment" for the RRSP, RRIF or TFSA. The Preferred Shares will generally be a "prohibited investment" if the annuitant of an RRSP or RRIF, or the holder of a TFSA, does not deal at arm's length with the Company for purposes of the Tax Act or the annuitant of an RRSP or RRIF, or the holder of a TFSA, has a "significant interest" (within the meaning of the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm's length for purposes of the Tax Act. A "significant interest" in a corporation generally means ownership of 10% or more of the issued shares of any class of the capital stock of the corporation (or of any related corporation), either alone or together with persons with which the shareholder does not deal at arm's length for purposes of the Tax Act. Annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult their own advisors in this regard.

The penalty taxes are referred to as the "prohibited investment tax" and the "advantage tax". The prohibited investment tax is equal to 50% of the fair market value of the prohibited investment at the time it was acquired or it became non-qualified. This prohibited investment tax is refundable in certain circumstances. The advantage tax is equal to the value of the benefit received. The penalty taxes will generally apply to transactions occurring, and investments acquired, after March 22, 2011.

Management may not be aware of the identity of persons with whom investors do not deal at arm's length for the purposes of determining whether a non-arm's length group meets the 10% ownership threshold. If management does become aware of the identity of such persons, management cannot advise investors of this situation due to privacy legislation. Investors will be responsible for ensuring that they, along with non-arm's length persons, remain below the 10% ownership threshold if investments are to be made through a RRSP, RRIF or TFSA. Management cannot be liable for taxes or penalties that may apply if these ownership thresholds are exceeded.

(v) Interest Expense

Except for money borrowed for the purposes of paying a premium or making a contribution to one of the deferred income plan trusts described above to enable such a trust to hold the Preferred Shares, a reasonable amount of interest paid or payable (pursuant to a legal obligation) by an investor on money borrowed to acquire Preferred Shares should be deductible in computing income for purposes of the Tax Act, so long as the investor continues to own the Preferred Shares. However, the application of the proposed rules on limited recourse amounts may reduce or restrict the interest expense deduction.

Recent changes to the Tax Act may allow an investor to continue to deduct interest costs where the Preferred Shares are disposed of at a loss or the Preferred Shares have declined in value.

The Company is making the income tax disclosure contained in this section 6.2, but it makes no other warranties or representations, implied or otherwise, with respect to taxation issues. If the Company were not to qualify as a MIC, the income tax consequences would be materially different from those described in this section 6.2.

Purchasers should consult with their own tax advisor regarding the income tax consequences of acquiring, holding and disposing of the Preferred Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Company pays Alpine Credits Limited fees relating to the first right of refusal it provides to the Company on all mortgages underwritten and available to Alpine Credits Limited, and for assisting the Company in arranging mortgages. (see Item 2.2 - "*The Company's Business – Financial Services*").

Where lawfully permitted the Company is prepared to pay consideration to finders or registered representatives, subject to negotiation; however, the Company has not engaged any such party at this time and does not intend to do so as the Company is registered as an exempt market dealer in British Columbia and Alberta in accordance with NI 31-103.

ITEM 8 - RISK FACTORS

An investment in the Company involves significant risks. In addition to the other information presented in this Offering Memorandum, the following risk factors should be given special consideration when evaluating an investment in any of the Company's securities. The purchase of Preferred Shares involves a number of risk factors and is suitable only for Purchasers who are aware of the risks inherent in the real estate industry and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on a Purchaser's investment. The risk factors outlined below are not a definitive list of all risk factors associated with an investment in the Company.

The Company advises that prospective Purchasers should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Preferred Shares in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

Speculative Investment

An investment in the Preferred Shares is highly speculative. Investment in the Preferred Shares should be considered only by investors who are able to make a long term investment and are aware of the risk factors involved in such an investment. You should only invest in the Preferred Shares if you are able to bear the risk of the entire loss of your investment and have no need for immediate liquidity in such investment.

Risks Associated With Mortgage Loans

Real estate investment contains elements of risk and is subject to uncertainties such as costs of operation and financing and fluctuating demand for developed real estate. In addition, prospective Purchasers should take note of the following:

(i) Credit Risk: As with most mortgage investment corporations, the Company provides financings to borrowers who may not meet financing criteria for conventional mortgages from institutional sources and, as a result, these investments generally earn a higher rate of return than what institutional lenders may receive. Credit risk is the risk that the mortgagor will fail to discharge the obligation causing the Company to incur a financial loss. The Company minimizes its credit risk primarily by ensuring that the collateral value of the security fully protects first, second and subsequent mortgage advances and that there is a viable exit strategy for each loan. In addition, the Company limits concentration of risk by diversifying its mortgage portfolio by way of location, property type, maximum loan amount on anyone property and maximum loan amount to any one borrower.

(ii) Liquidity Risk: Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to hedge this liquidity risk by maintaining a line of credit (refer to Item 2 above) and managing Preferred Share redemptions (refer to Item 5 above). Successful utilization of leverage, as contemplated by any bank line of credit or other financing depends on the Company's ability to borrow funds from outside sources and to use those funds to make loans and other investments at rates of return in excess of the cost to the Company of the borrowed funds. Leverage increases exposure to loss.

(iii) Mortgage Insurance: The Company's mortgage loans will not usually be insured by CMHC or any other mortgage insurer in whole or in part.

(iv) Decline in Property Value: The Company's mortgage loans will be secured by real estate. All real estate investments are subject to elements of risk. Real property value is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants, competition from other available properties and other factors. While independent appraisals are required before the Company may make any mortgage investments, the appraised values provided therein, even where reported on an "as is" basis, are not necessarily reflective of the market value of the underlying real property, which may fluctuate.

(v) Default: From time to time, in the normal course of business, mortgage loans will go in default. When such default occurs, it may be necessary for the Company, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing. In a majority of the cases, there is sufficient equity in the property value to cover all amounts owed to the Company. As at the date of this Offering Memorandum, there were 91 foreclosures totaling approximately $17.3 million. Of these foreclosures the Company has categorized eighty (8) as being impaired (see below).

(vi) Impaired Loans: The Company may from time to time have one or more impaired loans in its portfolio, particulars of which can be obtained by contacting the Company. The Company defines loans as being impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which write-downs have been taken or specific loss provisions established. In certain cases in which there is a shortfall on the amount owing on a mortgage loan, the Company may elect to take ownership of the property and hold it for resale in order to mitigate losses. As at the date of this Offering Memorandum, there were eight (8) loans considered to be impaired, representing 1.89% of the loan portfolio. In addition to this, the Company has taken ownership of one property valued at $750,000 which is currently listed for sale.

(vii) Priority: Financial charges funded by first mortgage lenders may in some cases rank in priority to the mortgages registered in favour of the Company. In the event of default by the mortgagor under any prior financial charge, the Company may be required to arrange a new first mortgage or pay out same, in order to avoid adverse financial implications.

(viii) Risk of Losses: To date the Company has incurred no losses on their portfolio. However, there is no assurance that the Company will not incur additional losses. For the Company's fiscal year ended November 30, 2015, the Company had a loss provision of $3,818,939.

In recognition of the risks which may be involved in the Company's investments, the Company will establish reserves against potential losses in such amounts as are anticipated to be deductible for income tax purposes under the Tax Act as determined in consultation with the Company's auditors.

Competition

The earnings of the Company depend to a significant extent on the availability of suitable opportunities presented by Alpine Credits Limited to the Company for the investment of the Company's funds and on the yields available from time to time on mortgages as well as the cost of borrowings. A wide variety of competing lenders and investors are active in the areas of investment in which the Company operates. The yields on real estate investments, including mortgages, depend on many factors including economic conditions, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, and tax laws. The Company cannot predict the effect which such factors will have on its operations.

Prospectus Exemption

The Offering is being made pursuant to exemptions from the prospectus and registration requirements of applicable securities legislation (the "**Exemptions**"). As a consequence of acquiring the Preferred Shares offered hereby pursuant to such Exemptions and the fact that no prospectus has or is required to be filed with respect to any of the Preferred Shares offered hereby under applicable securities legislation in Canada: (i) you will be restricted from using certain of the civil remedies available under applicable securities legislation; (ii) certain protections, rights and remedies provided in such legislation will not be available to you; (iii) you may not receive information that might otherwise be required to be provided to you under such legislation; and (iv) the Company is relieved from certain obligations that would otherwise apply under such legislation.

Marketability

There is no market for resale of the Preferred Shares and consequently it may be difficult or even impossible for Purchasers to sell them. In addition, the Preferred Shares may not be readily acceptable as collateral for loans. Purchasers should be prepared to hold these Preferred Shares indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Preferred Shares is suitable solely for persons able to make and bear economic risk of a long-term investment.

There are restrictions on resale of the Preferred Shares by Purchasers. Such restrictions on resale may never expire and you should consult with your professional advisors in respect of resale of the Preferred Shares. Also, see Item 10 - "*Resale Restrictions*" in this regard.

The Company does not presently intend to qualify its securities for sale to the public by way of prospectus.

Borrowing

The Company may from time to time borrow funds to increase the mortgage portfolio. Borrowings would be secured by mortgages in the Company's portfolio. This could increase the risk of the Company's insolvency.

Redemptions

The directors of the Company may determine that funds are not currently available for the payment of the redemption price of any Preferred Shares in respect of which the Preferred Shareholder has requested a Redemption, in which case the Company may elect to delay payment or pay the redemption price for such Preferred Shares.

The Preferred Shares are not Insured

The Company is not a member institution of the Canada Deposit Insurance Corporation and the Preferred Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. The Preferred Shares are redeemable at the option of the holder, but only under certain circumstances and due to the illiquid nature of mortgage lending, the Company may not be in a position to redeem the shares when requested by a Preferred Shareholder.

Less than Full Offering

There can be no assurance that more than the minimum Offering will be sold. In that case, less than the maximum proceeds will be available to the Company and, consequently, their business development plans and prospects could be adversely affected, since fewer Mortgage Loans will be granted by the Company.

Income Tax Designation

The Board of Directors and officers of the Company are responsible for ensuring that the Company's operations are conducted in a manner that will not jeopardize its designation as a MIC under the Tax Act. As a MIC, the normal gross-up and dividend tax credit rules will not apply to dividends paid on the Preferred Shares. Rather, the dividends will be taxable in the hands of shareholders who are subject to tax as if they had received an interest payment. If for any reason the Company fails to maintain its designation, the dividends paid by the Company on the Preferred Shares would cease to be deductible from the income of the Company. In addition, the Preferred Shares would cease to be qualified investments for deferred income plans resulting in penalties and taxation of dividends.

Reliance on Management

To the extent that the Company invests in real estate properties, Preferred Shareholders will be relying on the good faith and expertise of the Company's management in selecting such investments.

Conflict of Interest

The Company and its shareholders are dependent in large part upon the experience and good faith of Alpine Credits Limited. Alpine Credits Limited is entitled to act, currently acts and in the future may act in a similar capacity for other companies and/or investors with investment criteria similar to those of the Company. Accordingly, there may be instances in which an investment opportunity may be suitable for the Company as well as other mortgage lenders or investors with whom they have business relations. In such case, the Company has the right to take such actions as it sees fit. As such, there is a risk Alpine Credits Limited will not be able to originate sufficient suitable investment opportunities to keep the Company's funds fully invested.

Two Directors of the Company are employed by and are directors, officers and shareholders of Alpine Credits Limited and a number of Alpine Credits Limited's affiliated companies. Also, two other Directors of the Company are engaged by Alpine Credits Limited to assist with administrative functions. In addition to the annual financial services fee that is paid to Alpine Credits Limited by the Company, Alpine Credits Limited and its affiliated companies earn fees from the borrowers for mortgages arranged for the Company. Furthermore, the Directors and officers of the Company receive compensation from Alpine Credits Limited for work done by such individuals for Alpine Credits Limited.

The Directors of the Company may by majority resolution vary the Company's investment criteria. The Company does not have the express right to terminate the Financial Services Agreement. It may be difficult for some of the Directors to exercise independent judgment about these and other matters.

Subordinate and Non-Conventional Financing

Any subordinate financing which may be carried on by the Company is generally considered a higher risk than primary financing. Mortgages will be secured by a charge which is in a first or subsequent-ranking position upon or in the underlying real estate. When a charge on a real property is in a position other than first-ranking on a real property, it is possible for the holder of a prior charge on the real property, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the real property in order to realize the security given for his loan. Such actions may include a foreclosure action, or an action forcing the real property to be sold. A foreclosure action may have the ultimate effect of depriving any person having other than a first-ranking charge the security of the real property. If an action is taken to sell the real property and sufficient proceeds are not realized from such sale to pay off all creditors who have prior charges on the property, the holder of a subsequent charge may lose his investment or part thereof to the extent of such deficiency, unless he can otherwise recover such deficiency from other property owned by the debtor.

Potential Liability under Environmental Protection Legislation

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, as the owner of real estate properties the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the properties. The failure to remove or remediate such substances, if any, may adversely affect the Company's ability to sell such a property or to borrow using a property as collateral.

Impact of Changes in Government Regulations

The Company may need to change the manner in which it conducts its business if government legislation or regulation increases or changes.

There can be no assurance that income tax laws and government incentive programs relating to the real estate industry will not be changed in a manner which adversely affects the Company or distributions received by its Preferred Shareholders.

ITEM 9 – REPORTING OBLIGATIONS

9.1 Documents Provided to Shareholders Annually

The Company is not a "reporting issuer" as such term is defined in applicable securities legislation and accordingly is not subject to most of the continuous disclosure reporting obligations imposed on reporting issuers by securities legislation in British Columbia, Alberta, Saskatchewan or Ontario. In accordance with requirements of the *Business Corporations Act* (British Columbia), the Company is required to place audited financial statements before its shareholders at each annual general meeting and to deposit copies for inspection in its corporate records maintained at its records office which are available for inspection by any shareholders during normal business hours.

9.2 Sources of Information about the Company

Information about the Company's incorporation, amendments to its constating documents, Directors, officers, annual corporate filings and other corporate information can be obtained from the British Columbia Registry Services, 2nd Floor – 940 Blanshard Street, (PO Box 9431 Stn. Prov. Govt.) Victoria, British Columbia, Canada V8W 9V3 (Telephone: 250.356.8626; Facsimile: 250.356.8923.)

ITEM 10 – RESALE RESTRICTIONS

10.1 General

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Company becomes a reporting issuer in any province or territory of Canada.

After such period, the Preferred Shares may be transferable, subject to restrictions on transfer required in order to comply with certain provisions of the Tax Act. Section 130.1(6)(d) of the Tax Act stipulates that a mortgage investment corporation may not have fewer than 20 shareholders and no one shareholder may hold more than 25% of the total issued and outstanding shares of any class of the Company's capital. Accordingly, the Articles of the Company provide that the Directors of the Company may prohibit the transfer of shares in any case where as a result of the transfer the Company would no longer meet the requirements of a MIC. The Directors of the Company intend to refuse the registration of an allotment or transfer of the Company's shares which may result in the Company ceasing to meet such qualification.

ITEM 11 - PURCHASER'S RIGHTS

Securities legislation in certain of the Provinces of Canada requires you as a purchaser of securities to be provided with a remedy for rescission or damages, or both, in addition to any other right that a Purchaser may have at law, where this Offering Memorandum and any amendments to it contains a misrepresentation. These remedies must be exercised by a Purchaser within the time limits prescribed by the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation for the complete text of these rights.

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

(a) Two-Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Company by midnight on the second business day after you sign the agreement to buy the securities.

(b) Statutory Rights of Action in the Event of a Misrepresentation

Rights for Purchasers in British Columbia and Alberta

Securities legislation in British Columbia and Alberta provides that if you purchase securities pursuant to this Offering Memorandum, you will have, in addition to any other rights you may have at law, a right of action for damages or rescission against the Company, every Director of the Company and every person who signs the Offering Memorandum or any amendment thereto in the event that the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. You should refer to the applicable provisions of the British Columbia or Alberta securities legislation for particulars of those rights or consult with a lawyer. For these purposes, a "*misrepresentation*" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated, or necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. A "*material fact*" means any fact that significantly affects or could reasonably be expected to significantly affect the market price or the value of the Preferred Shares.

In British Columbia and Alberta, no action will be commenced to enforce a statutory right of action unless the right is exercised:

(a) in the case of rescission, on notice to the Company not later than 180 days from the day of the transaction that gave rise to the cause of action, or

(b) in the case of damages, on notice given to the Company before the earlier of:

(i) 180 days from the day you first had knowledge of the facts giving rise to the cause of action; or

(ii) three years from the day of the transaction that gave rise to the cause of action.

Reference is made to the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (British Columbia) or the *Securities Act* (Alberta), as applicable.

Rights for Purchasers in Saskatchewan

The Securities Act, 1988 (Saskatchewan), as amended, provides that, subject to certain limitations, where this Offering Memorandum contains a misrepresentation (as defined in *The Securities Act*, 1988 (Saskatchewan)), if you purchase a security covered by this Offering Memorandum, you have a right of action for damages against the Company, the promoters and Directors of the Company, every person or company whose consent has been filed with the Offering Memorandum (but only with respect to reports, opinions or statements that have been made by them), every person who or company that signed the Offering Memorandum and every person who or company that sells the securities on behalf of the Company under the Offering Memorandum.

Alternatively, you may elect to exercise a right of rescission against the Company.

In addition, subject to certain limitations, where an individual makes a verbal statement to you that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, you have a right of action for damages against the individual who made the verbal statement.

No action may be commenced to enforce any of the foregoing rights:

(a) in the case of rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; and

(b) in the case of any other action, other than an action for rescission, the earlier of:

(i) one year after you first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that in the event that this Offering Memorandum, together with any amendments thereto, is delivered to you as a purchaser of Preferred Shares and this Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, you will have a right of action against the Company for damages or rescission as follows:

(a) the right of action for rescission or damages will be exercisable by you only if you give written notice to the Company, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that you are exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by you only if you give notice to the Company not later than the earlier of:

(i) 180 days after you first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction giving rise to the cause of action;

(b) the Company will not be liable if it proves that you purchased the securities with knowledge of the misrepresentation;

(c) in the case of an action for damages, the Company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;

(d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to you; and

(e) the rights of action for rescission or damages are in addition to and without derogation from any other right you may have at law.

ITEM 12 - FINANCIAL STATEMENTS

Please see the financial statements at November 30, 2015, attached hereto. The attached financial statements have been audited.

RYAN MORTGAGE INCOME FUND INC.

FINANCIAL STATEMENTS

NOVEMBER 30, 2015

RYAN MORTGAGE INCOME FUND INC.

INDEX TO FINANCIAL STATEMENTS

NOVEMBER 30, 2015

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Ryan Mortgage Income Fund Inc.

We have audited the accompanying financial statements of RYAN MORTGAGE INCOME FUND INC., which comprise the statement of financial position as at November 30, 2015 and the statement of changes in equity, statement of income and comprehensive income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these statements present fairly, in all material respects, the financial position of RYAN MORTGAGE INCOME FUND INC. as at November 30, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

The financial statements of Ryan Mortgage Income Fund Inc. for the year ended November 30, 2014 were audited by KNV Chartered Accountants LLP of Vancouver, British Columbia, prior to its merger with MNP LLP. KNV Chartered Accountants LLP expressed an unmodified opinion on those statements on January 26, 2015.

MNP LLP

January 29, 2016
Vancouver, British Columbia

Chartered Professional Accountants

RYAN MORTGAGE INCOME FUND INC.

STATEMENT OF FINANCIAL POSITION

NOVEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
MORTGAGE INVESTMENTS (Note 4)	$177,567,899	$127,158,187
FORECLOSED PROPERTIES HELD FOR SALE (Note 5)	750,000	946,800
PREPAID EXPENSES	24,667	22,900
PROPERTY AND EQUIPMENT (Note 6)	-	2,010
	$178,342,566	$128,129,897
LIABILITIES AND SHAREHOLDERS' EQUITY		
BANK INDEBTEDNESS (Note 7)	$ 38,256,216	$ 22,364,503
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	24,634	30,227
DIVIDENDS PAYABLE	2,319,092	887,826
UNEARNED REVENUE	191,810	99,420
Total liabilities	40,791,752	23,381,976
SHAREHOLDERS' EQUITY (Note 8)	137,550,814	104,747,921
	$178,342,566	$128,129,897

APPROVED ON BEHALF OF THE BOARD:

Per: "Kurt Wipp"

Director

Per: "Brent Wipp"

Director

The accompanying Notes are an integral part of this statement.

RYAN MORTGAGE INCOME FUND INC.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

	Share Capital (Note 8)	Retained Earnings	Total Equity
Balances at November 30, 2013	$ 78,008,256	$ -	$ 78,008,256
Changes in equity for 2014:			
Net and comprehensive income	-	8,102,400	8,102,400
Dividends	-	(8,102,400)	(8,102,400)
Issued - dividends reinvestment	7,214,574	-	7,214,574
Issued - cash consideration	24,454,439	-	24,454,439
Redemption of shares	(4,929,348)	-	(4,929,348)
Balances at November 30, 2014	$104,747,921	$ -	$104,747,921
Balances at November 30, 2014	$104,747,921	$ -	$104,747,921
Changes in equity for 2015:			
Net and comprehensive income	-	10,517,602	10,517,602
Dividends	-	(10,517,602)	(10,517,602)
Issued - dividends reinvestment	8,198,510	-	8,198,510
Issued - cash consideration	34,497,596	-	34,497,596
Redemption of shares	(9,893,213)	-	(9,893,213)
Balances at November 30, 2015	$137,550,814	$ -	$137,550,814

The accompanying Notes are an integral part of this statement.

RYAN MORTGAGE INCOME FUND INC.

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

	2015	2014
REVENUE:		
Interest	$ 15,314,512	$ 10,913,217
Other fees	1,625,844	1,007,380
	16,940,356	11,920,597
EXPENSES:		
Accounting and audit	32,256	34,755
Amortization	2,010	851
Appraisal fees	12,784	-
Bank charges	47,614	36,536
Financial services fees (Note 9)	3,075,206	2,199,659
Impairment losses on mortgage investments (Note 4)	1,995,341	1,016,570
Impairment losses on foreclosed properties held for sale (Note 5)	196,800	-
Insurance	35,108	7,756
Interest	864,822	440,688
Legal	98,467	28,147
Office and miscellaneous (Note 9)	26,346	17,235
Rent (Note 9)	36,000	36,000
	6,422,754	3,818,197
NET AND COMPREHENSIVE INCOME	$ 10,517,602	$ 8,102,400
BASIC AND DILUTED NET INCOME PER SHARE (Note 10)	$ 0.0905	$ 0.0915

The accompanying Notes are an integral part of this statement.

RYAN MORTGAGE INCOME FUND INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

	2015	2014
CASH AND CASH EQUIVALENTS WERE PROVIDED FROM (USED IN):		
Operating Activities:		
Net and comprehensive income	$ 10,517,602	$ 8,102,400
Items not affecting cash -		
Amortization	2,010	851
Impairment losses on mortgage investments	1,995,341	1,016,570
Impairment losses on foreclosed propertyies held for sale	196,800	-
	12,711,753	9,119,821
Changes in non-cash working capital:		
Increase in prepaid expenses	(1,767)	(2,173)
Decrease in accounts payable and accrued liabilities	(5,593)	(9,330)
Increase in unearned revenue	92,390	45,291
Net changes	85,030	33,788
	12,796,783	9,153,609
Investing Activities:		
Funding of mortgage investments	(105,137,287)	(79,800,522)
Discharge of mortgage investments	52,732,234	44,602,478
	(52,405,053)	(35,198,044)
Financing Activities:		
Proceeds from bank indebtedness	15,891,713	7,813,983
Redemption of shares	(9,893,213)	(4,929,348)
Issuance of shares	34,497,596	24,454,439
Dividends paid	(887,826)	(1,294,639)
	39,608,270	26,044,435
Increase in cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -	$ -

The accompanying Notes are an integral part of this statement.

RYAN MORTGAGE INCOME FUND INC.

NOTES TO FINANCIAL STATEMENTS

NOVEMBER 30, 2015

1. CORPORATE INFORMATION

Ryan Mortgage Income Fund Inc. (the "Company") was incorporated on September 24, 1984 under the laws of British Columbia and is domiciled in Canada with its registered principal business office located in Suite 310 - 10524 King George Blvd, Surrey, British Columbia. The Company is in the business of investing in financial instruments, principally mortgages. The Company is managed by Alpine Credits Limited (BC) ("Manager").

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These annual financial statements for the year ended November 30, 2015 were authorized for issuance by the Board of Directors of the Company on January 29, 2016. The Board of Directors has the power to amend the financial statements after their issuance only in the case of discovery of an error.

(b) Basis of measurement

These financial statements have been prepared on the basis of historical cost, except for financial instruments classified as fair value through profit and loss, which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with the prior period and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements. The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements are as follows:

2. BASIS OF PRESENTATION (Continued)

(d) Use of estimates and judgments (Continued)

Mortgage investments:

The Company is required to make an assessment of the impairment of mortgage investments. The mortgage investments are considered to be impaired only if objective evidence indicates that one or more events ("loss events") have occurred after its initial recognition, that have a negative effect on the estimated future cash flows of that asset. The estimation of future cash flows include assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Illiquid credit markets and volatile equity markets have increased the uncertainty inherent in such estimates and assumptions. As such, by their nature, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated allowance for impairment losses could vary by a material amount.

Foreclosed properties held for sale:

The Company uses management's best estimate to determine the fair market value of real estate assets in making an assessment of the impairment of the foreclosed properties held for sale. This may involve frequent inspections, engaging realtors to assess market conditions based on previous property transactions or retaining professional appraisers to provide independent valuations. The estimates of realizable value of real estate assets are made at a specific point in time, given current relevant market information. These estimates are subjective and involve uncertainties and judgment. Should the underlying assumptions change, the estimated allowance for impairment losses could vary by a material amount.

Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities:

When measuring the fair value of an asset or liability, the Company uses market observable data where possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data (that is, unobservable inputs).

The information about the assumptions made in measuring fair value is included in Note 17.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

The Company considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash and cash equivalents, if any, are classified as loans and receivables and carried at amortized cost. There were no cash and cash equivalents at year-end.

(b) Mortgage investments

The mortgage investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the mortgage investments are measured at amortized cost using the effective interest method, less any impairment losses. The mortgage investments are assessed on each reporting date to determine whether there is objective evidence of impairment. A financial asset is considered to be impaired only if objective evidence indicates that one or more loss events have occurred after its initial loan recognition, that have a negative effect on the estimated future cash flows of the asset.

The Company considers evidence of impairment for mortgage investments at both a specific asset and collective level. All individually significant mortgage investments are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identifiable at an individual mortgage level. Mortgage investments that are not individually significant are collectively assessed for impairment by grouping together mortgage investments with similar risk characteristics, such as by region.

In assessing collective impairment, the Company reviews historical trends of the probability of default, the timing of recoveries and the amount of the loss incurred, adjusted for management's judgments as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of specific mortgage investments is calculated as the difference between its carrying amount including accrued interest and the present value of the estimated cash flows discounted at the investment's original effective interest rate. Losses are recognized in profit and loss and reflected in an allowance account against the mortgage investments. When a subsequent event causes the amount of an impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss in the period the new information becomes available.

(c) Foreclosed properties held for sale

Real estate acquired through loan default is classified as foreclosed properties held for sale ("FPHFS") when their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" includes management's commitment to a plan to sell the assets and the expectation that such sale will be completed within a twelve month period. Events or circumstances beyond the Company's control may extend the period to complete the sale beyond one year. Such assets continue to be classified as "held for sale" as management remains committed to its plan to sell the assets. FPHFS are not depreciated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreclosed properties held for sale (Continued)

Contractual interest on the mortgage investment is discontinued from the date of transfer from mortgage investments to FPHFS. Any difference between the carrying value of the asset before foreclosure and the initially estimated realizable amount of the asset is recorded in the impairment losses on mortgage investments.

The Company capitalizes all foreclosure, maintenance, pre-development costs and property taxes with the intention of recovering the costs upon subsequent sale of the property.

FPHFS are carried at the lower of carrying amount and fair market value less costs to sell.

(d) Property and equipment

The Company's property and equipment, which are recorded at cost less accumulated depreciation and any write-down for impairment, are depreciated over their estimated useful lives on a declining balance basis at the following annual rates:

Computer equipment	30-55%
Office furniture and equipment	20%
Website	30%

In the year of acquisition, the above rates are reduced by one-half. No depreciation is recorded in the year of disposal.

(e) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured at the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(f) Unearned revenue

Unearned revenue comprises of unearned discount on mortgages purchased and renewal fees from borrowers, which are amortized to income using the effective interest method over the contractual terms of the mortgages.

(g) Share capital

Preferred shares are classified as equity. Incremental costs directly attributable to the issue of shares, if any, are recognized as a deduction from equity.

Dividends are recognized in equity in the period in which they are declared. Dividends on new Preferred shares are calculated based on the number of full days the shares were held by the shareholders in the fiscal year divided by the number of days in the fiscal year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Revenue recognition

Interest on mortgage investments is recognized as revenue using the effective interest method to the extent it is probable that the Company will collect the interest revenue. Other fees are recognized as revenue when earned.

The Company charges upfront commitment fees, such as lender, broker and renewal fees, based on the gross mortgage values for all mortgages funded. These fees are amortized to income using the effective interest method over the contractual terms of the mortgage.

(i) Basic and diluted net income per share

The Company presents basic and diluted net income per share data for its Preferred shares. Basic per share amounts are calculated by dividing the net income attributable to Preferred shareholders of the Company by the weighted average number of Preferred shares outstanding during the period. As the Company has no dilutive financial instruments that could be converted to Preferred shares, basic and diluted net income per share are identical.

(j) Income taxes

The Company is a Mortgage Investment Corporation as defined in Section 130.1(6) of the Canadian Income Tax Act and, as such, is not taxable on income which flows through to the shareholders in the form of dividends paid during the year or within 90 days of the end of the year. It is the Company's policy to flow such dividends out to the shareholders and as such have no taxable income for the year. Accordingly, no provision for corporate income taxes has been made in the accounts.

(k) Financial instruments

Financial assets consist of mortgage investments. Financial liabilities consist of bank indebtedness, accounts payable and accrued liabilities and dividends payable.

The Company determines the classification of its financial assets and liabilities at initial recognition. Financial instruments are recognized initially at fair value and in the case of financial assets and liabilities carried at amortized costs, adjusted for directly attributable transaction costs.

The Company has classified its financial assets and liabilities as follows:

(i) Mortgage investments are classified as loans and receivables, which are measured at amortized costs using the effective interest method, less impairment losses.

(ii) Bank indebtedness, accounts payable and accrued liabilities and dividends payable are classified as financial liabilities and are measured at amortized costs using the effective interest method.

(l) Offsetting financial instruments

Financial assets and financial liabilities where the Company is considered the principal to the underlying transactions are offset and the net amount reported in the financial statements if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Changes in accounting policies

The Company has adopted the following relevant new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of December 1, 2014.

IAS 32, Financial Instruments: Presentation

In December 2011, the IASB published Disclosure - Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) and issued new disclosure requirements in IFRS 7 - Financial Instruments: Disclosures, with the amendments applied retrospectively. The implementation of this standard had no impact on these financial statements.

IFRIC 21, Levies

In January 2013, the IASB issued IFRIC 21. This standard addresses accounting for a liability to pay a levy within the scope of IAS 37, Provision, contingent liabilities and contingent assets. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation, other than income taxes. The standard is applied retrospectively. The implementation of this standard had no impact on these financial statements.

(n) Future changes in accounting policies

Certain new accounting standards and interpretations have been published that are not mandatory for the November 30, 2015 reporting period. Those which may be relevant to the Company are set out below. Management has decided against early adoption of these standards.

IFRS 9, Financial Instruments

On July 24, 2014, the IASB issued a a final revised IFRS 9 standard. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also includes an "expected credit loss" model for calculating impairment. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018 and will be applied retrospectively with some exemptions. The Company is currently assessing the impact of the new standard on its financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standard on leases, insurance contracts and financial instruments. IFRS 15 will be effective for annual periods beginning on or after January 1, 2017 and will be applied retrospectively. The Company is currently assessing the impact of the new standard on its financial statements.

RYAN MORTGAGE INCOME FUND INC.

NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2015 (Continued)

4. MORTGAGE INVESTMENTS

Mortgages written by the Company are for terms ranging from one to four years. Most mortgages written by the Company for a one year term earn interest at a fixed stated annual interest rate in the range of 5% to 16.5%. Mortgages written by the Company for greater than a one year term typically earn interest at a fixed rate for the first year and become variable at the Bank of Canada Prime Business Rate plus interest in the range of 6% to 17% per annum.

The mortgages are secured by first and/or second and/or third charges on real property. There is a blend of interest only and amortizing mortgages within the portfolio.

	2015	2014
Mortgages and accrued interest receivable		
Mortgages receivable	$180,329,098	$128,918,232
Accrued interest receivable	1,057,740	744,395
Allowance for impairment losses	(3,818,939)	(2,504,440)
	$177,567,899	$127,158,187

The mortgages are invested as follows:

	2015	2014
Residential	$177,378,216	$127,244,881
Allowance for impairment losses - Residential	(3,766,420)	(1,831,985)
	173,611,796	125,412,896
Commercial mortgages	4,008,622	2,417,746
Allowance for impairment losses - Commercial	(52,519)	(672,455)
	3,956,103	1,745,291
	$177,567,899	$127,158,187

The changes in the allowance for impairment losses are summarized as follows:

	2015	2014
Balance at beginning of year	$ 2,504,440	$ 2,287,294
Increase in provision	1,995,341	1,016,570
Net write-offs on mortgage investments settled during the year	(680,842)	(64,325)
Impairment losses on mortgage investments transferred to FPHFS	-	(735,099)
Balance at end of year	$ 3,818,939	$ 2,504,440

RYAN MORTGAGE INCOME FUND INC.

NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2015 (Continued)

4. MORTGAGE INVESTMENTS (Continued)

The Company has invested in 570 non-current mortgages receivable (2014 - 418), which mature from December 1, 2016 to August 1, 2019 (2014 - December 1, 2015 to November 15, 2017). Principal repayments, based on contractual maturity dates are as follows:

	2015	2014
November 30,		
2015	$ -	$102,246,557
2016	143,427,101	23,286,338
2017	33,629,095	1,625,292
2018	497,470	-
2019	14,233	-
Total	$177,567,899	$127,158,187

5. FORECLOSED PROPERTIES HELD FOR SALE

The Company holds one real estate investment which is FPHFS (2014 - one). This investment is carried at the lower of carrying amount and fair value less estimated costs to sell. The Company reassessed the property as at November 30, 2015. The deemed carrying value is $750,000 and the Company recognized a loss during 2015 of $196,800 (2014 - $nil). The real property is currently listed for sale and the Company expects the sale to occur within the next fiscal year.

	2015	2014
Balance at beginning of year	$ 946,800	$ -
Transfer from mortgage investments	-	929,521
Costs capitalized during the year	-	17,279
Allowance for impairment losses	(196,800)	-
Balance at end of year	$ 750,000	$ 946,800

6. PROPERTY AND EQUIPMENT

The Company's property and equipment are analyzed as follows:

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Computer equipment	$ 12,787	$ 12,787	$ -	$ 386
Office furniture and equipment	769	769	-	82
Website	14,867	14,867	-	1,542
	$ 28,423	$ 28,423	$ NIL	$ 2,010

There were no additions or disposals during the year, and amortization expense for the year was $2,010.

RYAN MORTGAGE INCOME FUND INC.

NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2015 (Continued)

7. BANK INDEBTEDNESS

The Company has available a revolving demand operating line of credit with Canadian Western Bank ("the Bank") to a maximum amount of $40,000,000 (2014 - $25,000,000), which bears an annual interest rate of 0.50% (2014 - 0.50%) over the Bank's prime rate. The operating line of credit is secured by a General Security Agreement, registered under the Personal Property Security Act of British Columbia creating a floating charge over all assets of the Company and General Assignment of Insurance and Mortgages, with the Mortgages having a carrying value totalling $177,567,899 at November 30, 2015 (2014 - $127,158,187). Under the terms of the credit facilities with the Bank, the Company is required to comply with certain affirmative and negative covenants. As at November 30, 2015, all financial covenants were met.

8. SHARE CAPITAL

The authorized share capital of the Company consists of unlimited Common voting shares with a par value of $1 per share and unlimited Preferred voting shares with a par value of $1 per share, redeemable at $1 per share.

The Company's issued share capital consists of the following:

NUMBER OF SHARES	2015	2014
Preferred shares		
Opening balance	104,747,921	78,008,256
Issued - dividends reinvestment	8,198,510	7,214,574
Issued - cash consideration	34,497,596	24,454,439
Redemption of shares	(9,893,213)	(4,929,348)
Closing balance	137,550,814	104,747,921

AMOUNT		
Preferred shares		
Opening balance	$104,747,921	$ 78,008,256
Issued - dividends reinvestment	8,198,510	7,214,574
Issued - cash consideration	34,497,596	24,454,439
Redemption of shares	(9,893,213)	(4,929,348)
Closing balance	$137,550,814	$104,747,921

(a) During the year, the Company prepared and approved an Offering Memorandum for a maximum amount of $75,000,000 of redeemable, voting, Preferred shares with a par value of $1 each.

(b) The Board of Directors of the Company may determine, in their absolute discretion, that the Company shall not in any one fiscal year redeem more than five percent of the number of issued Preferred shares. In the event of such determination, the Board of Directors of the Company shall, by resolution, determine the Preferred shares to be redeemed in that fiscal year by the dates the Redemption notices were received by the Company.

9. RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

(a) Transactions with companies controlled by a majority of the directors:

(i) During the year, the Company purchased mortgage investments with a face value totalling $41,454,852 (2014 - $24,213,607) from Alpine Credits Limited (BC) with a total discount received of $127,814 (2014 - $58,647).

(ii) During the year, the Company purchased mortgage investments with a face value totalling $21,110,083 (2014 - $14,565,638) from Alpine Credits Limited (AB) with a total discount received of $79,186 (2014 - $38,597).

(iii) During the year, the Company purchased mortgage investments with a face value totalling $8,911,535 (2014 - $nil) from Alpine Credits Ontario Limited with a total discount received of $27,826 (2014 - $nil).

(iv) During the year, the Company purchased mortgage investments with a face value totalling $29,972,045 (2014 - $27,537,257) from Aaron Acceptance Corporation with a total discount received of $67,329 (2014 - $43,569).

(v) During the year, the Company purchased mortgage investments with a face value totalling $3,688,771 (2014 - $11,520,650) from Get Acceptance Corporation with a total discount received of $13,094 (2014 - $35,389).

(vi) During the year, the Company paid financial services fees of $3,075,206 (2014 - $2,181,659) to Alpine Credits Limited (BC). The Company also paid rent and telephone expenses to Alpine Credits Limited (BC) in the amount of $36,000 (2014 - $36,000) and $1,200 (2014 - $1,200), respectively.

(b) During the year, dividends, including dividends reinvested in Preferred shares, to related parties/directors/officers total $912,530 (2014 - $749,975); Preferred shares issued for cash consideration to related parties/directors/officers total $4,285,119 (2014 - $2,942,508); and redemption of Preferred shares by related parties/directors/officers total $2,939,137 (2014 - $809,546).

(c) During the year, the Company paid financial services fees in the amount of $18,000 (2014 - $18,000) to a company owned by a director for the services of that director.

10. BASIC AND DILUTED NET INCOME PER SHARE

The following table reconciles the numerator and denominator of both the basic and diluted net income per share:

	2015	2014
Numerator for net income per share		
Net and comprehensive income	$ 10,517,602	$ 8,102,400
Denominator for net income per share		
Weighted average shares	116,276,378	88,557,134
Basic and diluted net income per share	$ 0.0905	$ 0.0915

11. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Non-cash transactions

The Company issued a total of 8,198,510 Preferred shares (2014 - 7,214,574) at a value of $1 per share in settlement of dividends of $8,198,510 (2014 - $7,214,574).

(b) Interest	2015	2014
Interest received	$ 15,046,114	$ 10,726,357
Interest paid	$ 864,822	$ 440,688

12. AMOUNT AVAILABLE FOR DIVIDEND DISTRIBUTION

The Company follows the practice of paying a dividend 90 days subsequent to the end of the fiscal year in an amount at least sufficient to remain non-taxable under the provisions of the Canadian Income Tax Act related to Mortgage Investment Corporations.

13. LEASE COMMITMENTS

In a prior year, the Company entered into a sublease agreement with Alpine Credits Limited (BC) for its premises with an aggregate minimum annual rental of approximately $36,000 exclusive of certain incremental occupancy costs. The term of the sublease matches the term of the Head Lease Agreement, which expires on April 30, 2020, and has one further five-year term renewal option.

The future minimum annual lease payments for the years ended November 30, 2016 to 2019 are $36,000 per year and the aggregate future minimum lease payments to expiry date total to $159,000.

14. FINANCIAL SERVICES FEES

The Manager is responsible for the day-to-day operations, including administration of the Company's mortgage investments. Pursuant to the Management Agreement dated December 1, 1994, the Company shall pay to the Manager, financial services fees ("Financial Services fee") equal to 2% per annum of the Company's total month end value of the Company's mortgage portfolio, calculated and payable monthly (Note 9).

The Manager bears all overhead and other internal expenses incurred by it in providing the services under the Management Agreement. The Company bears all third party and other expenses incurred in connection with the Company's mortgage investments and operations, including, without limitation, legal, audit, other professional fees, interest and bank charges, rent, and office costs as well as directors' and officers' fees for attending formal meetings of the Company.

15. CAPITAL MANAGEMENT

The Company's objective when managing capital is to continue operations as a going concern so that it can provide its shareholders with a safe, superior-yielding and liquid investment that qualifies as an eligible investment for Registered Retirement Savings Plans, Registered Retirement Income Funds and Tax Free Savings Accounts.

The Company defines capital as being the funds raised through the issuance of Preferred shares of the Company. The overall objective of capital management is to ensure that the Company has sufficient capital to maintain its operations based on current activities and expected business developments in the future and to provide a return to the shareholders commensurate with the risk of the business and comparable to other similar companies. The Company's capital management objectives and strategies are unchanged from prior year.

The Company's investment guidelines are subject to externally imposed capital requirements to maintain the Company's eligibility as a Mortgage Investment Corporation as defined in Section 130.1(6) of the Canadian Income Tax Act. These guidelines state that *(i)* at least 50% of the Company assets must be residential mortgages and/or cash and insured deposits at Canada Deposit Insurance Corporation member financial institutions, *(ii)* no more that 25% of its assets must be in real estate, and *(iii)* that all investments must be within Canada. During the year the Company complied with these requirements.

16. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims arising from investing in mortgages. Where required, management records adequate provisions in the accounts.

Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the Company's financial position.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of assets and liabilities:

	Carrying Value		Fair
November 30, 2015	Assets	Liabilities	Value
Assets not measured at fair value			
Mortgage investments	$177,567,899	$ -	$177,567,899
Foreclosed properties held for sale	750,000	-	750,000
Liabilities not measured at fair value			
Bank indebtedness	-	38,256,216	38,256,216
Accounts payable and accrued liabilities	-	24,634	24,634
Dividends payable	-	2,319,092	2,319,092
Unearned revenue	-	191,810	191,810

	Carrying Value		Fair
November 30, 2014	Assets	Liabilities	Value
Assets not measured at fair value			
Mortgage investments	$127,158,187	$ -	$127,158,187
Foreclosed properties held for sale	946,800	-	946,800
Liabilities not measured at fair value			
Bank indebtedness	-	22,364,503	22,364,503
Accounts payable and accrued liabilities	-	30,227	30,227
Dividends payable	-	887,826	887,826
Unearned revenue	-	99,420	99,420

The valuation techniques and inputs used for the Company's financial and non-financial assets and liabilities are as follows:

(a) Mortgage investments

There is no quoted price in an active market for the mortgage investments. The Manager makes its determination of fair value based on its assessment of the current lending market for mortgage investments of same or similar terms. Typically, the fair value of these mortgage investments approximate their carrying values given the amounts consist of short-term loans that are repayable without yield maintenance or penalties. As a result, the fair value of mortgage investments is based on level 3 inputs.

(b) Other assets and liabilities

The fair values of bank indebtedness, accounts payable and accrued liabilities, dividends payable and unearned revenue approximate their carrying amounts due to their short-term maturities.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(c) Foreclosed properties held for sale

The Manager makes its determination of fair value based on frequent inspections, engaging realtors to assess market conditions based on previous property transactions or retaining professional appraisers to provide independent valuations for foreclosed properties held for sale. As a result, the fair value measurements have been categorized as a level 3 fair value based on inputs to the valuation techniques used. The key valuation technique used in measuring the fair value of the foreclosed properties held for sale is set out in the following table:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct sales comparison	The fair value is based on comparison to recent sales of properties of similar types, locations and quality.	The significant unobservable input is adjustments due to characteristics specific to each property that could cause the fair value to differ from the property to which it is being compared.

There were no transfers between level 1, level 2 and level 3 during the years ended November 30, 2015 and 2014.

18. RISK MANAGEMENT

The Company is exposed to the symptoms and effects of global economic conditions and other factors that could adversely affect its business, financial condition and operating results. Many of these factors are beyond the Company's direct control. The Manager and Board of Directors play an active role in monitoring the Company's key risks in determining the policies that are best suited to manage these risks. There has been no change in the process since the previous year.

The Company's business activities, including its use of financial instruments, expose the Company to various risks, the most significant of which are interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its mortgage interest rate risk on its mortgage portfolio by having lending policies that set minimum interest rates for its mortgages. Interest rates on most mortgages receivable written for a one year term are fixed until maturity and therefore the interest rate risk associated with such mortgages at year-end is not considered significant.

18. RISK MANAGEMENT (Continued)

(a) Interest rate risk (Continued)

Mortgages written by the Company for greater than a one year term typically earn interest at fixed rate for the first year and become variable at the Bank of Canada Prime Business Rate plus interest ranging from 6% to 17% per annum. The minimum rate mitigates the effect of a drop in short-term market interest rates, while the floating rate allows for increased interest earnings where short-term rates increase. The floating interest rate on bank indebtedness subjects the Company to a cash flow risk. The interest rate risk on accounts payable and accrued liabilities and dividends payable are not considered significant.

Sensitivity analysis

The Company is exposed to interest rate risk on its bank indebtedness. Based on the outstanding balance of $ 38,256,216 on the bank indebtedness at November 30, 2015, a 0.50% decrease in the bank's prime rate, keeping other variables constant, would result in an annual increase in net income of $191,281 (2014 - $111,823) as a result of lower interest payable on the bank indebtedness. A 0.50% increase in the bank's prime rate would have an equal but opposite effect on the net income of the Company.

(b) Credit risk

As with most mortgage investment corporations, the Company provides financing to borrowers who may not meet financing criteria for conventional mortgages from institutional sources and, as a result, these investments generally earn a higher rate of return than what institutional lenders may receive. Credit risk is the risk that the mortgagor will fail to discharge the obligation causing the Company to incur a financial loss. The Company minimizes its credit risk primarily by ensuring that the collateral value of the security fully protects first, second and subsequent mortgage advances and that there is a viable exit strategy for each loan. In addition, the Company limits concentration of risk by diversifying its mortgage portfolio by way of location, property type, maximum loan amount on any one property and maximum loan amount to any one borrower.

The maximum exposure to credit risk at November 30, 2015 is the carrying value of its mortgage investments, including accrued interest receivable, which total $177,567,899 (2014 - $127,158,187). The Company has recourse under these investments in the event of default by the borrower; in which case, the Company would claim against the underlying collateral.

Concentration of credit risk analysis

At November 30, 2015, the Company has 2 significant mortgage investments (2014 - six) which represent 1.86% (2014 - 3.78%) of total mortgage investments. The average mortgage amount for the balance of the mortgage investments was $87,974 (2014 - $87,963).

18. RISK MANAGEMENT (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to hedge this liquidity risk by maintaining a line of credit (Note 7). Successful utilization of leverage, as contemplated by any bank line of credit or other financing, depends on the Company's ability to borrow funds from outside sources and to use those funds to make loans and other investments at rates of return in excess to the Company of the borrowed funds. Leverage increases exposure to loss.

Liquidity risk could occur in the event that a significant number of shareholders request capital and the Company is not able to meet these commitments. To mitigate this, the Board of Directors may determine, in their absolute discretion, that the Company shall not in any one fiscal year redeem more than five percent of the number of issued Preferred shares. Furthermore, in the unlikely event the Company is required to wind down its operations, for any reason, a majority of its mortgage investments have a term of three years or less.

The following are the contractual maturities of financial liabilities as at November 30, 2015, including expected interest payments:

	Carrying values	Contractual cash flows	Within a year
Bank indebtedness	$ 38,256,216	$ 38,256,216	$ 38,256,216
Accounts payable and accrued liabilities	24,634	24,634	24,634
Dividends payable	2,319,092	2,319,092	2,319,092
	$ 40,599,942	$ 40,599,942	$ 40,599,942

19. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation to the senior management of the Manager is paid through the financial services fees paid to the Manager (Note 14).

Certificate of the Company

Dated this 29th day of March, 2016.

This Offering Memorandum does not contain a misrepresentation.

Per:

"Kurt Wipp"
KURT WIPP, President & Director

Per:

"Brent Wipp"
BRENT WIPP, CFO & Director

ON BEHALF OF THE BOARD OF DIRECTORS

Per:

"Harvey Wipp"
HARVEY WIPP, Director

Per:

"Kevin Budd"
KEVIN BUDD, Director

Per:

"Victor Yates"
VICTOR YATES, Director

Schedule “A” to
Offering Memorandum of
RYAN MORTGAGE INCOME FUND INC.
Dated March 29, 2016

RISK ACKNOWLEDGEMENT
Form 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- These securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing $____________________ [total consideration] in total; this includes any amount I am obliged to pay in future.

RYAN MORTGAGE INCOME FUND INC. will pay $_____________ of this to ___________________ as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

___________________________________ ___________________________________
Date Signature of Purchaser

____
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase

To do so, send a notice to **Ryan Mortgage Income Fund Inc.** stating that you want to cancel your purchase. You must send the notice before midnight on the 2^{nd} business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to **Ryan Mortgage Income Fund Inc.** at its business address. Keep a copy of the notice for your records.

RYAN MORTGAGE INCOME FUND INC.’S ADDRESS:
#310 – 10524 King George Boulevard
Surrey, British Columbia V3T 2X2
Fax: 604.581.2161
E-Mail: **kurt@RMIF.ca**

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

· the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

· the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum. Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed. The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer. A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator as follows:

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free in British Columbia and Alberta 1-800-373-6393
Facsimile: (604) 899-6506

Alberta Securities Commission
4th Floor, 300 – 5th Avenue SW
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548
Toll Free in Manitoba: (800) 655-5244
Facsimile: (204) 945-0330

Ontario Securities Commission
Suite 1903, Box 5520 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll Free in Canada: (877) 785-1555
Facsimile: (416) 593-8122
Public official contact regarding indirect collection of information:
Administrative Support Clerk
Telephone (416) 593-3684

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337
Or 1 877 525-0337
Facsimile: (514) 864-6381 (For privacy requests only)
Facsimile: (514) 873-6155 (For filing purposes only)

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2B5
Telephone: (506) 658-3060
Toll Free in New Brunswick: (866) 933-2222
Facsimile: (506) 658-3059

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Government of Newfoundland and Labrador
Financial Services Regulation Divsion
P.O. Box 8700, Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John’s, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of Yukon
Department of Community Services
Law Centre, 3rd Floor
21230 Second Avenue
Whitehorse, Yukon Territory Y1A 5H6
Telephone: (867) 667-5314
Facsimile: (867) 393-6251

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 920-8984
Facsimile: (867) 873-0243

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqualuit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594

Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.