Form 45-106F2
Offering Memorandum for Non-Qualifying Issuers

(RESTRICTED TO RESIDENTS OF BRITISH COLUMBIA)

Date: 11 August 2017

THE ISSUER

Name:	**B-SMART HOME LOANS LIMITED PARTNERSHIP** (the "**Partnership**", "**we**" or "**us**")
Head office:	307 Goldstream Avenue, Victoria, British Columbia V9B 2W4 Telephone 250.590.6520 Facsimile 250.590.2723 Electronic Mail michelle@b-smarthomeloans.com
Currently listed or quoted?	No. **These securities do not trade on any exchange or market.**
Reporting issuer?	No.
SEDAR filer?	No.

THE OFFERING

Securities offered:	One hundred thousand (100,000) Units in the B-Smart Home Loans Limited Partnership (each individually, a "**Unit**", and collectively, the "**Units**")
Price per security:	One Hundred Dollars ($100.00 CAD) per Unit
Minimum Offering:	**There is no minimum offering. You may be the only purchaser**.
Maximum Offering:	One Hundred Thousand (100,000) Units. **Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**
Minimum Subscription Amount:	For investors who own, prior to any subscriptions under this Offering Memorandum, fewer than 500 Units, the minimum subscription amount is $50,000 per investor. For investors who own 500 or more Units, the minimum subscription amount is $25,000 per investor.
Payment Terms:	Payment in full by bank draft or personal cheque prior to closing.
Proposed Closing:	One or more dates, as subscriptions are received.
Income Tax Consequences:	There may be important tax consequences to these securities. **See Item 6 – Income Tax Consequences and RRSP Eligibility.**

Selling Agent:	No agent has been appointed by the Partnership or its general partner, B-Smart Investment Management Corp. (the "**General Partner**"), to sell the Units. **See Item 7 – Compensation Paid to Sellers and Finders**.
Resale Restrictions:	You will be restricted from selling your securities for an indefinite period. **See Item 11 – Resale Restrictions.** However, as summarized in Item 5 – Securities Offered, you may elect to retract some or all of your Units.
Purchaser's Rights:	You have two (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 12 – 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. <u>THIS IS A RISKY INVESTMENT.</u> SEE ITEM 9 – RISK FACTORS.

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DISCLAIMER RE FORWARD-LOOKING STATEMENTS: This Offering Memorandum contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. Forward-looking statements may be identified by the use of words like “believes”, “intends”, “expects”, “may”, “will”, “should”, or “anticipates”, or the negative equivalents of those words or comparable terminology, and by discussions of strategies that involve risks and uncertainties. All forward-looking statements are based on the Partnership’s current beliefs as well as assumptions made by and information currently available to the Partnership and relate to, among other things, anticipated financial performance; business prospects; strategies; the nature of the Partnership’s operations; sources of income; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Partnership to raise capital; the Partnership’s business outlook; plans and objectives for future operations; forecast business results; and anticipated financial performance.

The risks and uncertainties of the Partnership’s business, including those discussed under Item 9 – Risk Factors, could cause the Partnership’s actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, the Partnership bases forward-looking statements on assumptions about future events, which may not prove to be accurate. In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on forward-looking statements and should be aware that events described in the forward-looking statements set out in this Offering Memorandum may not occur. The Partnership cannot assure prospective investors that its future results, levels of activity and achievements will occur as the Partnership expects, and neither the Partnership nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Partnership assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the available funds of the Offering:

		Assuming min. Offering	Assuming max. Offering (one year projection)
A.	Amount to be raised by this Offering	$0.00	$10,000,000.00
B.	Selling commissions and fees(1)	$0.00	$0.00
C.	Estimated Offering costs (including legal, accounting, audit)(2)	$0.00	$20,000.00
D.	Available Funds D = A - (B+C)	$0.00	$9,980,000.00
E.	Additional sources of funding required	$0.00	$0.00
F.	Working capital surplus/(deficiency) (3)	$16,625.00	$16,625.00
G.	Total: H = (D+E) - F	$16,625.00	$9,996,625.00

NOTE:

1) The Partnership has not engaged any Exempt Market Dealers or unregistered agents or finders to assist in this Offering. No commission or fees are payable in connection with any issuances resulting from the Partnership's efforts or those of the General Partner. The Partnership will not pay any commission or finder's fee to any person, in connection with the issuances of Units sold under this Offering.
2) Under Sections 4.15 and 8.8 of the Partnership Agreement, the Partnership is responsible for payment of all expenses of the Partnership, and shall reimburse the General Partner an amount sufficient to cover the ongoing expenses of the General Partner, including all Estimated Offering Costs.
3) The working capital figure is as at June 30, 2017.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Partnership will use the available funds:

Description of intended use of available funds listed in order of priority	Assuming min. Offering	Assuming max. Offering
Investment in mortgages secured by real estate in Canada, and in short term CDIC insured investments:	$11,625.00	$9,946,625.00
Consulting Costs (e.g., Legal, Accounting, Audit): (1)	$5,000.00	$50,000.00
Repayment of Demand Loans to Related Parties	Nil	Nil
Total:	$16,625.00	$9,996,625.00

NOTE:
Under Sections 4.15 and 8.8 of the Partnership Agreement, the Partnership is responsible for payment of all expenses of the Partnership, and shall reimburse the General Partner an amount sufficient to cover the ongoing expenses of the General Partner, including all Consulting Costs.

1.3 Reallocation

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

1.4 Working Capital Deficiency

The Partnership does not anticipate that there will be a working capital deficiency.

ITEM 2 – BUSINESS OF B-SMART HOME LOANS LIMITED PARTNERSHIP

2.1 Structure of Partnership

2.1.1 The Partnership

The Partnership was formed under the laws of the Province of British Columbia and became a limited partnership by filing a Certificate of Limited Partnership on April 1, 2016 (Reg. No. LP685149). The Partnership is governed by a limited partnership agreement (the **"Partnership Agreement"**) dated April 1, 2016 between B-Smart Investment Management Corp. as the general partner (the "**General Partner**") and Kam Brar & Associates Ltd. and Robinson Keith Rettinger, as the initial limited partners (the "**Initial Limited Partners**").

The principal place of business of the Partnership and of the General Partner is 307 Goldstream Avenue, Victoria, British Columbia V9B 2W4. Pursuant to a Management Services Agreement dated April 1, 2016, Auxilium Mortgage Corporation and Linear Mortgage & Investments Ltd. (each of which are affiliates of the Initial Limited Partners) provide the day-to-day administrative, supervisory, property management, and loan brokerage and underwriting services to the Partnership and the General Partner.

Subscribers whose subscriptions for Units of the Partnership are accepted by the General Partner will become Limited Partners of the Partnership and will be bound by the terms of the Partnership Agreement. See "Summary of Partnership Agreement".

2.1.2 The General Partner

The General Partner was incorporated in British Columbia on April 4, 2013. The General Partner may act as general partner of other limited partnerships. The General Partner presently does not manage any other investment funds, and has no other assets and financial resources other than holding a single Unit in the Limited Partnership.

The General Partner may also become a Limited Partner by purchasing Units. The General Partner is responsible for the management and control of the business and affairs of the Partnership on a day-to-day basis in accordance with the terms of the Partnership Agreement and will provide investment advisory services to the Partnership, to act as principal distributor of the Units and to provide administrative support to the General Partner.

The General Partner must exercise its powers and discharge its duties honestly, in good faith, and with a view to the best interests of the Partnership and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The General Partner shall be entitled to retain advisors, experts or consultants to assist in the exercise of its powers and the performance of its duties.

The General Partner may not sell, assign, or otherwise transfer its interest or rights as the General Partner in the Partnership except with the prior approval of Limited Partners given by Extraordinary Resolution.

The directors of the General Partner are also the directors of the two principals comprising the Manager.

2.1.3 Manager; Management Services Agreement; Performance Fee

Under the Partnership Agreement, the General Partner has delegated the performance of the day-to-day administrative, supervisory, property management, loan brokerage and underwriting services of the Partnership to Auxilium Mortgage Corporation and Linear Mortgage & Investments Corp. (collectively, and as more particularly defined in the Partnership Agreement, the “Manager”). The Manager is affiliated with each of the Initial Limited Partners. Pursuant to the Partnership Agreement, the Partnership and the Manager have entered into a Management Services Agreement dated April 1, 2016 in respect of the performance of such services. To compensate the Manager for performing its obligations under the Management Services Agreement, Section 8.22 of the Partnership Agreement obligates the Partnership to pay the Manager or its assigns, within a reasonable time after December 31st of each Fiscal Year of the Partnership, a fee equal to twenty percent (20%) of the Net Income of the Partnership during such Fiscal Year (as more particularly defined in the Partnership Agreement, the “Performance Fee”), provided that the Performance Fee is payable only if the Partnership’s Net Return on Investment during such Fiscal Year is three percent (3%) or greater. “Net Return on Investment” means, in respect of any Fiscal Year, the percentage gain or loss on the average daily Contributed Capital of the Partnership, after deducting Partnership expenses incurred pursuant to Section 8.8 of the Limited Partnership Agreement.

2.2 Our Business

The Partnership was formed to engage in mortgage investments and lending transactions in British Columbia, and to undertake every act and thing necessary, convenient, or incidental to the foregoing, including the ability to acquire real property from any person. While the Partnership may lend anywhere in British Columbia, the Manager presently intends to focus the Partnership's lending activities in the following geographic areas: Vancouver Island, the Lower Mainland, and the Okanagan Interior.

2.2.1 Decision to Operate as a Limited Partnership

The incorporators of the General Partner chose to organize the business as a limited partnership, rather than a mortgage investment corporation (MIC), primarily because the limited partnership structure imposed fewer operating restrictions and permitted greater access to capital in the early stages of the business. While both a limited partnership and a MIC are pass-through entities for tax purposes, and both a limited partnership and a MIC afford limited liability protection to investors, a MIC must have at all times greater than 20 shareholders, none of which may own in excess of 25% of the outstanding share capital of the company. This requirement would have presented a significant impediment to raising capital for the business. In addition, a MIC must invest at all times a minimum of 50% of its assets in Canadian residential mortgages or Canadian-insured cash deposits. A limited partnership is not subject to any of these restrictions imposed on MICs. If a property is acquired through a mortgage foreclosure, a limited partnership structure allows the property to be improved and then re-sold for a profit to the limited partner investors, whereas a MIC structure does not permit construction/property improvements in the event of acquiring a property under foreclosure (in that case, the property would need to be re-sold within a short timeframe). While there are some benefits to a operating as a MIC (e.g., permitting RRSP/RRIF investment), the incorporators of the General Partner decided that the benefits of the limited partnership structure outweighed the MIC structure.

2.2.2 Competition in the Local Lending Market

The Partnership's primary competition in the local lending market are mortgage investment corporations (MIC's) ranging in size from $25,000,000 to $300,000,000 in assets. As the Partnership is still relatively small in comparison to its primary competitors, the Manager considers the Partnership to be a boutique mortgage lending fund. The Manager takes a "hands on approach" in operating the business, and have personally met and interviewed the borrowers on a one to one basis. In this way, the Manager will have a complete understanding of each loan underwritten by the Partnership. The Manager underwrites each mortgage using similar methods that an institutional lender would use, but due to the Partnership's size, the Partnership can provide a much quicker decision to the borrower, thereby increasing usefulness and satisfaction for the Partnership's mortgage clientele.

2.2.3 Investments

The Partnership intends to invest primarily in first mortgages having a principal amount of not more than 75% of the appraised value and second mortgages having a principal amount which, when added to the other principal amounts of prior mortgages, is not more than 90% of the appraised value at the time of committing to the mortgage of the real property against which they are secured. Typically our mortgages provide financing for construction, land acquisition, land servicing and other purposes to owners and developers of residential, commercial, income properties and other real estate.

The Partnership may share part of a mortgage investment with other lenders acceptable to the Partnership. By limiting participation in large individual investments, the Company will have the benefit of increased portfolio diversification. It will also allow the Partnership to participate in the financing of larger real estate projects than would otherwise be possible.

Most of the mortgages in which the Partnership intends to invest will be short term, typically 12 to 24 months for the initial term, and may include a provision to extend the term subject to the borrower meeting certain criteria. Individual loans will be limited to $1,000,000 per mortgage loan. Repayment terms will be primarily based on interest only, however loans may also be amortized for up to 35 years; this will be assessed on a case by case basis. The internal policy with respect to related party and non-arms-length party mortgage loans is that this will not be permitted.

The Manager will assess, analyze and approve all investment opportunities. For loans secured by a mortgage, the Manager will focus on the quality and value of the real estate security, and secondarily, the quality and credibility of the borrower or borrowers.

The Partnership earns income from both mortgage interest, and lender fees. Lender fees are paid by the borrower at the time of the mortgage initially closing, and can vary between 1% to 5% of the fully funded principal amount of the mortgage, depending on risk assessment and other factors. Lender fees are recorded as revenue on a straight-line monthly basis, over the term of each mortgage. If a mortgage is paid out early, any remaining lender fee for that mortgage is recorded as revenue in the month the mortgage was paid out. While the majority of the mortgages in the portfolio are of one year terms or shorter, if mortgages are renewed, there may be a 1% renewal fee applied on a discretionary basis, depending on the cost or risk assessment of continuing to manage the mortgage loan.

Investment decisions will be made by the principals of the Manager, acting unanimously.

It is intended that annual distributions will be financed from operations, and to a lesser degree, from debt financing. In the third quarter of 2017 (and every subsequent year's third quarter), management intends to receive written directives from each limited partner, in order to plan for their choice of distribution (whether by way of cash flow or reinvestment). This will allow the partnership about five months to set aside the required cash flow for distributions. Any shortage of cash flow from operations can be made up by using short term financing through demand loans.

2.2.4 B-Smart Home Loans LP Borrower Clientele

The Partnership will attract as mortgage clients borrowers who are challenged in obtaining financing from traditional sources. Representative examples are borrowers who have challenged credit, borrowers who require financing to pay out CRA or other collection debt, borrowers who require short term solutions, and borrowers who desire flexible construction mortgage options. These borrowers require alternative financing solutions, as they may not meet stricter provincial and federal lending criteria. The type of people who will likely apply for financing from the Partnership include, without limitation: self-employed and those with difficulty proving income; credit-challenged applicants with possible past bankruptcy and/or consumer proposal situation; those with properties in transition (which don't qualify for institutional lending); and new immigrants to Canada.

2.2.5 Operations

Pursuant to the Partnership Agreement, the General Partner has contracted with the Manager to provide all management services to the Partnership, including day-to-day mortgage administration services, and sourcing, structuring and managing investments on behalf of the Partnership.

The Manager's offices are located at 307 Goldstream Avenue, Victoria, British Columbia V9B 2W4. The General Partner does not have any direct employees. The directors of the principals of the Manager are also directors of the General Partner. For the purposes of this Offering Memorandum, the Manager is considered to be a related party to the General Partner. The directors and officers of the principals of the Manager who are also directors and officers of the General Partner and each of their principal occupations within the preceding five years are outlined in Item 3.2 – Management Experience.

2.3 Development of Business

The Partnership was formed on April 1, 2016, in response to changes in the regulatory and lending climate and in order to meet the needs of investors with capital wishing to make passive investments outside the confines of a traditional mortgage investment corporation. Although the General Partner was incorporated in 2013, there was not an urgency to formulate the business plan at that time, as the market for this type of lending was not robust in 2013-2014. However, due to regulatory changes in lending over the past 12-24 months (and especially the past 12 months), demand for alternative lending solutions has increased, and therefore the Partnership was formed three years after the incorporation of the General Partner.

Since formation, the Manager (acting on behalf of the General Partner) has been engaged in formulating the business plan and locating potential sources of capital for investment in accordance with the Issuer's objectives.

As at June 30, 2017, the Partnership has made mortgage investments as detailed in the following table:

Type	Location	Priority Ranking	Interest Rate	Current Loan Balance	Fully Funded Loan Balance(1)	Repayment Terms	Due Date	Loan To Value %	Note
Residential	Langford	Second	10.95%	$45,000	$45,000	IO	7/1/2018	69%	-
Residential (Construction)	Qualicum Beach	First	8.00%	$159,175	$360,000	IO	9/9/2017	39%	-
Residential	Victoria and Port Moody	Inter-Alia: Victoria: Second Port Moody: Second	9.95%	$160,0000	$160,000	IO	10/1/2017	57%	-
Residential	Esquimalt	Second	10.25%	$120,000	$120,000	IO	6/1/2017	60%	-
Residential	Sooke	First	8.95%	$175,000	$175,000	IO	7/1/2018	30%	-
Residential (Construction)	Burnaby	First	8.00%	$750,000	$750,000	IO	12/5/2017	53%	-
Residential (Construction)	Esquimalt	First	8.95%	$115,000	$650,000	IO	3/1/2018	35%	-
Residential	Sooke	First	7.95%	$105,000	$105,000	IO	4/1/2018	29%	-
Residential	Victoria	Second/Third	9.95%	$80,000	$80,000	IO	7/1/2018	65%	-
			Totals:	**$1,709,175**	**$2,445,000**				

NOTE:

Terms: IO = Interest Only

According to the Fund's internal policy, related party and non-arms length loans are not permitted, and as such, there are no such loans included in the above table.

1) Fully Funded Loan Balance means the total amount of the mortgage authorized by the Managers and as per the signed Offer to Finance, after all mortgage draws have taken place.

The Manager expects the rate of return for Investors to fluctuate depending upon interest rate changes in the general market, the mix of first and second mortgages and their related interest rates in its mortgage portfolio and whether or not any mortgages in the portfolio become unable to meet their interest obligations.

2.4 Long Term Objectives

The Issuer intends to raise investment capital, primarily from arms' length third parties, and to invest substantially all of that capital net of operating costs, in mortgages and real estate in British Columbia, and in short term CDIC insured deposits. The majority of mortgages will be short term loans secured by residential real estate property in British Columbia. As the amount of available capital increases, the Issuer may invest in mortgages secured against commercial real estate.

Investment opportunities will be secured by referral sources developed by the principals of the Manager, including referrals from mortgage brokers, financial institutions, existing relationships, word of mouth and general advertising.

Assessing data to determine the balance of risk versus return when investing in loans secured by mortgage can be highly subjective. Actual risk in making investments can be variable, and will depend on external factors beyond the control of the Manager, the General Partner, or the Issuer. In making any such assessment, the Manager (acting on behalf of the General Partner) will adopt the following guidelines:

2.4.1 Real Estate Values

Real estate values must be supported by appraisals prepared by an accredited appraiser, approved by the Manager, except in cases where the General Partner's specific knowledge of the subject real estate is high and the relative risk is low.

2.4.2 Loan to Value Ratios

Loan to Value (Equity) ratios must generally be no higher than 75.0% to minimize risk. In no case will the Loan to Value (Equity) ratios exceed 90.0%.

2.5 Short Term Objectives and How We Intend to Achieve Them

Over the next twelve to eighteen month period, the Issuer intends to raise equity capital, and to invest in accordance with the criteria set out in this Offering Memorandum and with the intention of paying periodic distributions to Unit holders. The Issuer's business plan is not dependent on this achieving a specific target; so long as the minimum offering amount is met, it will continue to pursue those objectives described above.

The following table discloses how the Manager (acting on behalf of the General Partner) intends to meet these objectives in the next 12 – 18 months:

What we must do and how we will do it	Target completion date, or if not known, number of months to complete	Our cost to complete
There is nothing that the Issuer "must" do to carry out its objectives. However, the Issuer's goal is to raise up to $10,000,000, and to use those funds for the purposes described in Item 2.2.	June 30, 2018	Nil(1)

NOTE:
Under the Management Services Agreement (see Item 2.7 – Material Agreements), the Partnership is obligated to reimburse the Manager for out-of-pocket expenses incurred in connection with the provision of services under such agreement.

2.6 Insufficient Funds

Funds available as a result of this Offering either may not or will not be sufficient to accomplish all of the Issuer's proposed objectives and there is no assurance that alternative financing will be available.

2.7 Material Agreements

The following summarizes the material agreements to which the Partnership is currently or anticipates to be a party or that are with a related party.

Management Service Agreement
Under the Management Services Agreement, the Manager has been engaged to administer the Issuer's day-to-day business, to provide business offices for the Issuer, and to advise the Issuer with respect to the raising of investment capital and the investment of that capital, from time to time. A detailed description of the Management Services Agreement is included in Item 2.1.3.

Unsecured Promissory Notes issued to Initial Limited Partners
From time to time, subject to availability, the Initial Limited Partners (including affiliates of the Initial Limited Partners) may lend to the Issuer funds through the issuance of unsecured, demand promissory notes at an interest rate of the Canadian Western Bank Prime Rate plus 3%, which the Company will use to fund mortgages (collectively, the "**Notes**"). As at at June 30, 2017, the Canadian Western Bank Prime Rate was 2.70%. As June 30, 2017, the Issuer had borrowed $320,000.00 from the Initial Limited Partners (including affiliated persons) on such terms.

Copies of the Management Services Agreement and the Notes may be inspected, by appointment, during normal business hours at the General Partner's office at 307 Goldstream Avenue, Victoria, British Columbia V9B 2W4, and will be provided without charge to subscribers upon request to the General Partner at the address noted above, by telephone to (250) 590-6520 or by e-mail to michelle@b-smarthomeloans.com.

ITEM 3 – INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table discloses information about each director, officer and promoter of the issuer and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the issuer (a "principal holder").

Name and municipality of principal residence	Positions Held	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Robinson Keith Rettinger Victoria, B.C. (see note 2)	Director and President of General Partner Director and President of Linear Mortgage & Investments Corp (Manager)	2016: nil 2017: nil anticipated (investment income only)	4,595 Units 35.5%	4,595 Units 4.6%
Kamaljit Singh Brar Victoria, B.C. (see note 2)	Director and Secretary of General Partner and Director and President of Auxilium Mortgage Corporation (Manager)	2016: nil 2017: nil anticipated	551 Units 4.3%	551 Units 0.6%
Harley Investment Ltd. (see note 1) Langley, B.C.	None	Nil (investment income only)	2,500 Units 19.3%	2,500 Units 2.5%
Larry Mallory Port Alberni, B.C.	None	Nil (investment income only)	1,800 Units 13.9%	1,800 Units 1.8%

Note 1: Anthony McGoran beneficially owns or controls more than 50% of the principal holder, Harley Investment Ltd.

Note 2: Messrs. Rettinger and Brar, are principals of their respective companies, Linear Mortgage & Investments Corp. and Auxilium Mortgage Corp. These companies, which are the parties to the management agreement, will receive a fee of 20% of the Net Income of the Partnership during each fiscal year, provided that the net return on investment during such fiscal year is three percent (3%) or greater. Please see section 2.1.3 of this document for further details. During the 2016 fiscal year, there was no management fee paid or payable. If the offering is fully subscribed ($10,000,000.00) and the net return on investment is 7%, potentially the managers could receive approximately $140,000.00 for the 2017 fiscal year.

3.2 Management Experience

The following table discloses the principal occupations of the Manager's directors and executive officers over the past five years and any relevant experience in a business similar to the Issuer's:

Name	Principal occupation and related experience
Kamaljit S. Brar	Mortgage Planner and Founder, Auxilium Mortgage Corporation Mr. Brar has been involved in the mortgage lending business for 10 years, and founded Auxilium Mortgage Corporation in 2011. He is a mortgage planner and broker, and together with his wife, Michelle Monahan-Brar, manages several investment properties.
R. Keith Rettinger	Commercial and Investment Broker, Auxilium Mortgage Corporation Mr. Rettinger has been active in the mortgage investment industry since 1977. He holds a sub-mortgage broker licence and has previously completed the Canadian Securities Course with the Canadian Securities Institute. He is the founder and director of Linear Mortgage & Investments Corporation, a licensed mortgage broker operating in Victoria, British Columbia. He is also a director and one-third owner of West Coast Holdings Inc., which owns substantial property in Saskatchewan. He was a partner in Kensington Realfund Corp, a mortgage investment corporation for eighteen years, and also presently acts as a commercial and investment broker for Auxilium Mortgage Corporation.
Michelle Monahan-Brar	Chief Financial Officer and Controller, Auxilium Mortgage Corporation Mrs. Monahan-Brar is a Chartered Professional Accountant. She worked at Concord Pacific Developments for 3 years. She has been the Chief Financial Officer and Controller for Auxilium Mortgage Corporation since 2011, and has 10 years' experience in the mortgage investment industry.

3.3 Penalties, Sanctions and Bankruptcy

(a) Except as described herein, no penalty or sanction has been in effect during the last 10 years, and no cease trade order has been in effect at any time during the last 10 years, against:

(i) director, executive officer or control person of the Issuer, or

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

One of the directors of the Issuer, Mr. R. Keith Rettinger, was formerly a director and shareholder of Kensington Realfund Corporation, a mortgage investment corporation ("**Kensington**"). On March 3, 2010, Kensington received a cease trade order from the B.C. Securities Commission as a result of a number of deficiencies contained in the Offering Memorandum filed by Kensington with the Securities Commission, particularly the company's failure to file audited financial statements. Kensington remedied the deficiencies in the company's Offering Memorandum, including providing audited financial statements to shareholders, and on June 18, 2010, the B.C. Securities Commission rescinded the March 3, 2010 cease trade order, permitting the company to resume full operations. Mr. R. Keith Rettinger left Kensington in or around October 2013.

(b) 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, has been in effect during the last 10 years with regard to any:

(i) director, executive officer or control person of the Issuer; or

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

3.4 Loans

From time to time, subject to availability, the Initial Limited Partners may lend to the Issuer funds through the issuance of unsecured, demand promissory notes at an interest rate of the Canadian Western Bank Prime Rate plus 3%, which the Company will use to fund mortgages. As at June 30, 2017, the Canadian Western Bank Prime Rate was 2.70%. As at June 30, 2017, the Issuer had borrowed $320,000.00 from the Initial Limited Partners (including affiliates of the Initial Limited Partners) on such terms. See Item 2.7 – Material Agreements, Financial Assistance Agreements with the Initial Limited Partners. Loans will not be issued to related parties, nor non arms length parties.

ITEM 4 – CAPITAL STRUCTURE

4.1 Partnership Capital

Description of security	Number authorized to be issued	Price per security	Number outstanding as at June 30, 2017	Number outstanding after min. Offering	Number outstanding after max. Offering
Units	1,000,000	$100.00	12,953	12,953	1,000,000

4.2 Long Term Debt Securities

Neither the Issuer nor the General Partner has any long term debt.

4.3 Prior Sales

Since the inception of the Partnership, the Issuer has issued the following Units (including the initial subscription by the Initial Limited Partners and the General Partner):

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
April 1, 2016	Units	1,001	$100	$100,100
August 3, 2016	Units	1,000	$100.00	$100,000
September 1, 2016	Units	2,500	$100.00	$250,000
September 1, 2016	Units	3,000	$100.00	$300,000
September 12, 2016	Units	1,800	$100.00	$180,000
November 22, 2016	Units	2,000	$100.00	$200,000
November 26, 2017	Units	1,000	$100.00	$100,000
December 2, 2016	Units	500	$100.00	$50,000

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

Each Unit shall have attached to it the following rights and restrictions:

5.1.1 Each Unit shall be identical to all other Units in all respects and, accordingly, shall entitle the holder thereof (a “Unit Holder”) to the same rights and obligations as the holder of any other Unit.

5.1.2 No Unit Holder shall, in respect of any Unit held by such person, be entitled to any preference, priority or right in any circumstance over any other Unit Holder in respect of any Unit held by the other Unit Holders.

5.1.3 Each Unit Holder’s interest pursuant to its holdings of Units shall represent the same proportion of the total interest of all Partners in the Partnership holding the Units of that class as the number of Units of that class held by it is of the total number of Units of that class outstanding at any time.

5.1.4 Under Section 6.5 of the Partnership Agreement, each Unit shall have the right to an allocation of distributable cash (as determined by the General Partner, in its reasonable discretion, in accordance with the Partnership Agreement), and allocation of Net Income or Net Loss, as provided in the Partnership Agreement.

5.1.5 Under Sections 6.1 and 6.2 of the Partnership Agreement, Net Income (including Losses) of the Partnership shall be allocated on a daily basis during each Fiscal Year among the Unit Holders whose names appear on the Register of the Partnership in the same proportions as distributions are made pursuant to Section 6.5 of the Partnership Agreement.

5.1.6 No fractional Units shall be issued.

5.1.7 The Units are redeemable by the Partnership in accordance with the following procedure. Each Fiscal Year, within the 120 day period immediately following December 31st of the previous Fiscal Year, the Partnership may redeem Units from Unit Holders for the Redemption Price, provided that any such redemption shall be pro rata among the Unit Holders in the Partnership, as follows:

(a) the General Partner shall, at least thirty (30) days before any redemption is to take place, give notice of redemption to each Limited Partner whose Units are to be redeemed, but accidental failure to give any such notice to one or more Limited Partners shall not affect the validity of the redemption;

(b) a notice of redemption shall specify the date on which the redemption is to take place, the Redemption Price, the aggregate number of Units to be redeemed, and the number of Units to be redeemed from the Limited Partner to whom the notice is addressed;

(c) on or after the date specified for redemption, the Partnership shall, on presentation and surrender to the General Partner of the certificate representing a Unit to be redeemed, pay or cause to be paid to or to the order of the Limited Partner holding such Unit, the Redemption Price payable therefor;

(d) a Unit in respect of which the Redemption Price is paid as provided herein will thereupon be and be deemed to be redeemed, and the certificate representing the Unit will be cancelled;

(e) if less than all the Units represented by any certificate are redeemed, a new certificate for the balance will be issued at the expense of the Partnership;

(f) after the date specified for redemption, the Limited Partner holding Units to be redeemed will not be entitled to exercise any of the rights in respect of such Units, unless payment of the Redemption Price is not made on presentation of the certificate therefor in accordance with the provisions of the Partnership Agreement, in which case the rights of such Limited Partner will remain unaffected;

(g) if the Limited Partner holding Units to be redeemed fails to present and surrender the certificate representing such Units within ten (10) days after the date specified for redemption, the General Partner may deposit the Redemption Price to a special account in any chartered bank or trust company in British Columbia to be paid without interest to or to the order of such Limited Partner upon presentation and surrender to such bank or trust company of the certificate, and upon the making of such deposit every Unit in respect of which the deposit is made will be deemed to be redeemed and the rights of the Limited Partner thereof will be limited to receiving without interest the Redemption Price therefore against presentation and surrender of the said certificate;

(h) the holder of a Unit may by instrument in writing waive notice of redemption of such unit;

(i) where a notice of redemption has been given, no transfer of any Unit to be redeemed may be made by the Limited Partner; and

(j) notwithstanding any contrary provision in this Agreement, notice of redemption may be given to a duly authorized representative of a Limited Partner, and by electronic mail or other means of delivery which the General Partner considers expedient.

5.1.8 Under the Partnership Agreement, "**Redemption Price**" means, in respect of a Unit, the sum of:

(a) the Fair Value of the Unit, determined by the Auditor in accordance with Section 9.7 of the Partnership Agreement, as of the date upon which notice of redemption has been issued by the Partnership pursuant to Section 4.3(a)(i) or a notice of retraction has been received by the Partnership pursuant to Section 4.3(b)(ii); and

(b) any distributions payable by the Partnership pursuant to Section 6.5 but unpaid thereon, when the amount of such distributions are determined in accordance with Section 6.5.

Note: To the date of this Offering Memorandum, there have been no redemptions of units, and no retractions of units.

5.1.9 Under the Partnership Agreement, "**Fair Value**" means the fair market value of any Units after the Initial Closing as determined or calculated by the Auditor, pursuant to Section 9.7 of the Partnership Agreement, in accordance with generally accepted valuation principles with regard to the business of the Partnership as a going concern and the goodwill thereof and in accordance with the following guidelines:

(a) the Auditor shall determine the Fair Value of the Units, which shall be equal to the highest price in terms of money which would be payable at that time for the Units by a willing buyer to a willing seller, neither under any compulsion to act;

(b) the Auditor shall give adequate consideration to the Partnership business as a going concern, the goodwill of the business and the profit history of the business up to the date of the valuation (the "**Valuation Date**");

(c) the Auditor shall give adequate consideration to the most recent financial statements of the Partnership (including the most recent monthly financial statements as of the Valuation Date), adjusted to reflect the Auditor's estimate of the fair market value of the assets of the Partnership including work in progress to the extent that the same may not be fairly or accurately represented in such financial statements. Such adjustment or adjustments shall be based upon such facts, estimates and/or appraisals as the Auditor considers, in its discretion (exercised reasonably), relevant and prudent to obtain;

(d) the Auditor may base any determination on such other factors as the Auditor reasonably considers of relevance;

(e) the Auditor shall not consider the face value of any life insurance policies owned by the Partnership or any of the other parties as a beneficiary in determining the Fair Value and shall only consider such policies owned by the Partnership to the extent of their cash surrender value; and

(f) the Auditor shall not consider any liquidity discount, minority discount or majority control premium with respect to any block of Units which may form a minority or majority interest in the Partnership, as the case may be, except in the case that the determination of Fair Value of the Units is triggered by the bankruptcy of the impaired Partner.

5.1.10 A Unit Holder shall have a limited right to retract one or more Units from the capital of the Partnership, and may exercise such right as follows:

(a) the Unit Holder shall deliver a notice in writing to the General Partner seeking retraction of more or more Units held by the Limited Partner (a "**Retraction Notice**");

(b) not later than 120 days after December 31st of the Fiscal Year in which the Retraction Notice was delivered to the General Partner, the Partnership will pay to such Unit Holder for each Unit to be retracted, the Redemption Price for each Unit and no more; PROVIDED THAT the General Partner has determined, in its sole and absolute discretion, that retraction of such Units and payment of the Redemption Price will not adversely or detrimentally affect the business of the Partnership, any remaining Limited Partner, or the General Partner; and

(c) any redemption of Units by the Partnership upon receipt of a Retraction Notice from a Unit Holder need not be made on a pro rata basis among every Limited Partner.

5.1.11 Upon the termination and dissolution of the Partnership, upon liquidation and winding up of the Partnership, the General Partner shall make a final allocation of all items of income, gain and loss in accordance with Sections 6.1 and 6.2 of the Partnership Agreement, and the Partnership's liabilities and obligations to its creditors shall be paid or adequately provided for prior to any distributions to the Partners. After payment or provision for payment of all liabilities and obligations of the Partnership, the remaining assets, if any, shall be distributed among the Partners in accordance with Sections 6.4 and 6.5 of the Partnership Agreement.

5.2 Subscription Procedure

All persons will become Limited Partners upon:

(a) the approval of admission of such Limited Partners by the General Partner;

(b) acceptance by the General Partner of duly completed subscription forms;

(c) compliance with the requirements as to payment of the subscription funds; and

(d) the General Partner causing the subscriber to be entered on the Register of the Partnership and on making such filings and recordings as are required by law, from time to time.

Unit Certificates evidencing ownership of Units will be issued by the Partnership and stored in the Partnership record book. A copy of the Unit Certificate will be provided to each Limited Partner for its records.

Subscription funds will be held until 9:00 AM on the second full business day following receipt by the General Partner of the subscription documents.

The General Partner may in its discretion refuse subscriptions in whole or in part, for any reason.

No subscription will be accepted unless the General Partner is satisfied that the prospective investor and the subscription complies with applicable securities legislation.

Each initial subscription is subject to a minimum initial subscription of 500 Units ($50,000 Dollars). The Offering is not otherwise subject to any conditions. Additional investments may also be subject to minimum investment amounts.

If the General Partner rejects a subscription, subscription funds will be returned to the prospective investor, without interest or other form of compensation or remuneration.

By executing a subscription form for Units, each subscriber acknowledges that the investment portfolio and trading procedures of the Issuer are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures shall be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the written consent of the General Partner.

ITEM 6 – INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

The following summary is provided by the Partnership and is of a general nature only. It is not intended to be legal or tax advice to any particular purchaser of Units.

6.1 Professional Advice

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

6.2 Income Tax Consequences

Investors should generally be aware of the tax considerations and consequences associated with an investment in a limited partnership generally, and in an actively managed investment pool in particular. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an Investor's specific circumstances. Investors must consult their own tax advisers for advice with respect to the income tax consequences of the acquisition, holding and disposition of Units.

The Issuer does not believe that the Units are "qualified investments" under the *Income Tax Act* for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds, registered education savings plans or tax-free savings accounts. You should consult your own professional advisors to obtain specific advice on the RRSP, RIF, RESP, TFSA, IPP or other program eligibility of these securities.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

The Issuer, the General Partner, the Manager, and their respective directors, officers and employees will sell Units on a best efforts basis. No compensation will be paid to third-party agents in connection with the sale the Units.

ITEM 8 – OTHER MATERIAL FACTORS

The Issuer is not aware of any other material facts which have not been disclosed elsewhere in this Offering Memorandum.

ITEM 9 – RISK FACTORS

Investment in the manner described in this Offering Memorandum is speculative, and carries a high degree of risk from, among other considerations, the nature and operations of the Limited Partnership.

The Units are **NOT** intended as a complete investment program. Investors should **NOT** purchase Units without first consulting with independent qualified sources of investment and tax advice. Investors who require immediate liquidity of their investment, or who cannot reasonably afford a substantial impairment or loss of their entire investment, should **NOT** purchase Units.

THERE IS A RISK THAT AN INVESTMENT IN THE UNITS WILL BE LOST ENTIRELY.

The following risk factors must be carefully evaluated by prospective Investors BEFORE investing in Units:

9.1 Investment Risk

A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Subscribers should review closely the investment objective and investment strategies to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership.

9.1.1 Marketability of Units

There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed by the Partnership Agreement, including consent by the General Partner, and applicable securities legislation. (See Item 11 - Resale Restrictions).

Holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

9.1.2 Liquidity of Investment

Units are being offered on a private placement basis, will be subject to resale restriction under applicable securities laws, and are not freely transferable.

The Units will provide limited liquidity, and are only retractable subject to the strict conditions set out in the Partnership Agreement:

(a) A Retraction Notice must be delivered to the Partnership for Units to be redeemed by the Partnership during the first (1^{st}) quarter of the following Fiscal Year; and

(b) Units may not be retracted unless the General Partner determines that retraction will not adversely or detrimentally affect the business of the Partnership, any remaining Limited Partner or the General Partner;

Investors seeking retraction may potentially experience delays in receiving retraction payments.

<u>An investment in Units is suitable only for investors who do not need full liquidity with respect to their investment.</u>

9.1.3 Lack of Effective Voting Rights

The Partnership Agreement narrowly curtails the powers exercisable by the Limited Partners by an Extraordinary or Special Resolution. The Investor will have no right to participate in the management or control of the Partnership Business. Investors will be relying solely on the skill and judgment of Key Personnel, and will be bound by the decisions of Key Personnel. Investors not willing to rely on the Key Personnel should NOT invest in the Units.

9.2 Issuer Risk

9.2.1 Nature of Mortgage Investments

Given its focus on providing financing for construction, land acquisition and land servicing, mortgage Investments undertaken by the Partnership present a present a significant risk of loss of capital.

9.2.2 Achievement of Investment Objective

There can be no assurance that the Partnership's strategies will be successful, that the Partnership objectives will be achieved, or that the Partnership will ever make distributions to Investors. **The Partnership could realize substantial losses, rather than gains, from some or all of its intended business and investment activities.**

9.2.3 No Assurance of Return or Income

The issuer cannot give any assurance to an Investor with respect to a rate of return. An investment in the Partnership is not suitable for an investor seeking stable income from its investment. An investment in Units should be considered as speculative and subscribers must bear the risk of a loss on their investment.

9.2.4 Reliance on Key Personnel

The success of the Partnership will be primarily dependent upon the efforts of the Key Personnel. Loss of the services of the Key Personnel could result in the Partnership's inability to effectively conduct business. In the event that Key Personnel are lost, there can be no assurance that a suitable successor or suitable successors would or could be located or appointed.

In order to successfully manage the business of the Partnership, it may also be necessary to add additional Key Personnel. Competition for qualified individuals is considerable, and there can be no assurance of success in attracting, retaining, or motivating such individuals. Failure to attract qualified parties would likely have a material adverse impact on the business of the Partnership.

9.2.5 Conflicts of Interest

The Key Personnel are employed by or act in other capacities for other companies involved in businesses similar to the business of the Partnership. Conflicts of interest exist, and others may arise, between Investors, the Partnership, the Manager, or the Key Personnel.

There is no assurance that any conflicts of interest that may arise will be resolved in a manner favorable to Investors. Persons considering a purchase of Units must rely on the judgment and good faith of the General Partner, the Manager, and the Key Personnel in resolving such conflicts of interest as may arise.

There is a risk that the General Partner will not be able to originate sufficient suitable investment opportunities to keep the Issuer's funds fully invested.

9.2.6 Liquidity of Underlying Investment

There are no restrictions on the investment of the Partnership's assets in illiquid securities. Some of the investments to be made by the Partnership will have no trading market, and or be restricted as to their transferability under applicable securities and other laws.

The valuation of the Partnership’s investments may be subject to a significant amount of subjectivity and discretion. It is possible that the Partnership may not be able to sell, repurchase or redeem significant portions of such underlying investments without facing substantial losses.

9.2.7 Funding Deficiencies

The Issuer requires significant funds to carry out its business plan. In the event the Issuer is unable to raise sufficient funds by this Offering, and future offerings or other debt or equity financing, the Issuer may have insufficient funds available to implement its business plan, and Investors may receive no return on their investment.

Certain uninsurable or uninsured events may also occur which can substantially reduce the ability of the Issuer to carry on business in a profitable manner, including natural or man-made disasters.

The Issuer anticipates that a substantial portion of the net proceeds of this Offering will be expended by the Issuer in investing in residential mortgages, and also anticipates that the net proceeds of the Offering and anticipated cash flow from operating revenues will be sufficient to carry out the Issuer's business plan.

There can be no assurances, however, that the Issuer will generate sufficient cash flow from operations or that it will not encounter unexpected costs in connection with implementing its business plan and, consequently, there can be no assurances that the Issuer will not require additional financing.

Other than the unsecured, demand promissory notes issued to the Initial Limited Partners, the Issuer has no current arrangements with respect to any other additional financing, and there can be no assurance that any such additional financing can be obtained on terms acceptable to the Issuer, or at all. Failure to obtain additional financing would likely have a substantial material adverse effect on the Issuer.

Moreover, in the event the Issuer was to obtain such additional financing, it could have a dilutive effect on Investors' participation in the revenues generated through the Issuer's operations.

Other than with respect to the possible loss of the limited liability as outlined above, no Limited Partner shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by the Partnership, the Partnership’s capital is reduced and the Partnership is unable to pay its debts as they become due, the Limited Partners may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership.

If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Partnership.

9.2.8 Substantial Losses and Possible Effect of Redemptions

The Partnership may at any time incur losses resulting in substantial retraction by Limited Partners. Substantial retraction of Units could require the Partnership to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. There is a risk that if the Partnership's assets become depleted, the Partnership will be unable to achieve the Partnership's objectives. This will adversely affect the value of the Units retracted, and of the Units remaining outstanding.

9.2.9 Tax Liability

Net asset value of the Partnership and Net asset value per Unit will be calculated on the basis of realized gains and losses and accrued, unrealized gains and losses. In computing each Investor's share of income or loss for tax purposes, only realized gains and other factors, including the date of purchase or redemption/retraction of Units in a fiscal year, will be taken into account. Therefore, the change in net asset value of an Investor's Units may differ from the share of income and loss for tax purposes. **Investors may be allocated income for tax purposes and not receive any cash distributions from the Partnership**.

9.2.10 Not a Public Mutual Fund

The Partnership is not a reporting issuer for securities laws purposes and is not subject to the restrictions to ensure diversification and liquidity of the Partnership's portfolio. As a result, **some of the protections provided to investors by reporting issuers under such laws will not be available to investors in the Units** and certain restrictions imposed on reporting issuers under Canadian securities laws do not apply to the Partnership.

9.2.11 Lack of Independent Experts Representing Limited Partners

Each of the Partnership and the General Partner has consulted with a single legal counsel regarding the formation and terms of the Partnership and the offering of Units. The Limited Partners have not, however, been independently represented. Therefore, to the extent that the Partnership, the Limited Partners or this offering could benefit by further independent review, such benefit will not be available. Each prospective Investor should consult his or her own legal, tax and financial advisers regarding the desirability of purchasing Units and the suitability of investing in the Partnership.

9.2.12 No Third Party Review

No party unaffiliated with the General Partner has made any review or investigation of the terms of this Offering, the structure of the Partnership or the background of the General Partner or the Manager.

9.3 Industry Risk

Real estate investment is subject to significant uncertainties due, among other factors, to uncertain costs of construction, development, and financing, uncertainty as to the ability to obtain required licenses, permits and approvals, and fluctuating demand for developed real estate. The anticipated returns associated with the Issuer's mortgage loans reflect the greater risks involved in making these types of loans as compared to long-term conventional mortgage loans. Inherent in these loans are completion risks as well as financing risks.

In addition, Investors should take note of the following:

9.3.1 Insurance

The Issuer's mortgage loans will not usually be insured in whole or in part. As well, there are certain inherent risks in the real estate industry, some of which the Issuer may not be able to insure against or which the Issuer may elect not to insure due to the cost of such insurance. The effect of these factors cannot be accurately predicted.

9.3.2 Priority

Financial charges for construction and other financing funded by conventional third party lenders may rank in priority to the mortgages registered in favor of the Issuer. In the event of default by the mortgagor under any prior financial charge, the Issuer may not recover any or all of the monies advanced.

9.3.3 Default

If there is default on a mortgage it may be necessary for the Issuer, 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 such cases it is possible that the total amount recovered by the Issuer will be less than the total investment, resulting in loss to the Issuer. Equity investments in real property may involve fixed costs in respect of mortgage payments, real estate taxes, and maintenance costs, which could adversely affect the Issuer's income.

9.3.4 Yield

The yields on real estate investments, including mortgages, depend on many factors including economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, legislation, government regulation and tax laws. The Issuer cannot predict the effect that such factors will have on its operations.

9.3.5 Competition

The earnings of the Issuer depend on the Issuer's ability, with the assistance of the Manager, to locate suitable opportunities for the investment and re-investment of the Issuer's funds and on the yields available from time to time on mortgages and other investments. The investment industry in which the Issuer operates is subject to a wide variety of competition from private businesses in Canada, many of whom have greater financial and technical resources than the Issuer. Such competition, as well as any future competition, may adversely affect the Issuer's success in the marketplace. There is no assurance that the Issuer will be able to successfully maintain its business plan or operate profitably. Existing competitors may have greater financial, managerial, and technical resources, and name recognition than the Issuer. Competitors may reduce the interest rates they charge, resulting in a reduction of the Issuer's share of the market, reduced interest rates on loans and reduced profit margins.

9.3.6 Legislative Change

The industry in which the Issuer operates is subject to a wide variety of legislation. Should any of the applicable legislation change it could potentially have a unilateral adverse impact on the Issuer.

ITEM 10 – REPORTING OBLIGATIONS

We are not required to send you any documents on an annual or ongoing basis. However, as a Limited Partner of the Partnership, an investor will receive or be given access to annual audited financial statements in accordance with the Partnership Agreement. The Partnership's annual year end is December 31st, and Limited Partner investors can anticipate receiving its' annual audited financial statement by March 31st of the following year. The General Partner will also provide periodic reports on allocations and distributions to the holders of Units and information material to the business of the Partnership.

Information about the Partnership's formation, amendments to its constating documents, directors, officers, annual filings and other information can be obtained from the British Columbia Registrar of Companies, 2nd Floor – 940 Blanshard Street, (PO Box 9431 Stn. Prov. Govt.) Victoria, B.C., V8W 9V3 (telephone number 250.356.8658, telefax 250.356.9422).

Securities filing information is available from:

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, British Columbia V7Y 1L2
Telephone 1-604-899-6854

and may be accessed through www.bcsc.bc.ca

ITEM 11 – RESALE RESTRICTIONS

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 securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada.

Section 4.21 of the Partnership Agreement also restricts a Limited Partner's right to transfer Units.

ITEM 12 – PURCHASER'S 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.

(1) **Two Day Cancellation Right** - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) **Contractual Rights of Action in the Event of a Misrepresentation -** If there is a **misrepresentation in this Offering Memorandum, you have a contractual right to sue the Issuer:**

to cancel your agreement to buy these securities, or for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages the Issuer proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Issuer has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (1) or (2) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within one hundred eighty (180) days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of one hundred eighty (180) days after learning of the misrepresentation, and three (3) years after you signed the agreement to purchase the securities.

ITEM 13 – FINANCIAL STATEMENTS

Attached as Appendix A are the financial statements, listed as follows:

B-Smart Home Loans Limited Partnership

- Audited Financial Statements for the Year Ended December 31, 2016
- Unaudited Financial Statements for the Six Months Ended June 30, 2017

B-Smart Investment Management Corp.

- Unaudited Financial Statements for the Three Months Ended June 30, 2017

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Appendix 'A'

Financial Statements of

B-SMART HOME LOANS LIMITED PARTNERSHIP

From commencement of operations on
April 1, 2016 to December 31, 2016

KPMG

KPMG LLP
800-730 View Street
Victoria BC V8W 3Y7
Canada
Tel 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Partners of B-Smart Home Loans Limited Partnership

We have audited the accompanying financial statements of B-Smart Home Loans Limited Partnership, which comprise the statement of financial position as at December 31, 2016, the statements of net income and comprehensive income, changes in partners' equity and cash flows from commencement of operations on April 1, 2016 to December 31, 2016, and notes, comprising 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.

Auditors' 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of B-Smart Home Loans Limited Partnership as at December 31, 2016, and its results of operations and its cash flows from commencement of operations on April 1, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

March 3, 2017
Victoria, Canada

B-SMART HOME LOANS LIMITED PARTNERSHIP

Statement of Financial Position

December 31, 2016

Assets

Current assets:		
Cash	$	24,094
Interest receivable (note 3)		14,124
Mortgage investments (note 3)		1,466,309
	$	1,504,527

Liabilities and Partners' Equity

Current liabilities:		
Accounts payable and accrued liabilities	$	10,000
Notes payable (note 4)		150,000
Unearned lender fees		44,222
Interest payable		1,295
		205,517
Partners' equity		1,299,010
Related party transactions (note 6)		
	$	1,504,527

See accompanying notes to financial statements.

______________________ Partner

B-SMART HOME LOANS LIMITED PARTNERSHIP
Statement of Net Income and Comprehensive Income

From commencement of operations on April 1, 2016 to December 31, 2016

Revenue:		
Mortgage interest	$	40,309
Lender fees		26,318
		66,627
Expenses:		
Professional fees		11,420
Interest and bank charges		7,358
Advertising		596
Office and general		31
		19,405
Net income and comprehensive income before start-up costs		47,222
Start-up costs		28,312
Net income and comprehensive income	$	18,910

See accompanying notes to financial statements.

B-SMART HOME LOANS LIMITED PARTNERSHIP
Statement of Changes In Partners' Equity

From commencement of operations on April 1, 2016 to December 31, 2016

	Class A Trust Units			
	Number of Units	Amount	Equity	Total partners' equity
Opening balance	$ -	$ -	$ -	$ -
Issuance of units (note 5)	12,801	1,280,100	-	1,280,100
Total income and comprehensive income	-	-	18,910	18,910
	$ 12,801	$ 1,280,100	$ 18,910	$ 1,299,010

See accompanying notes to financial statements.

B-SMART HOME LOANS LIMITED PARTNERSHIP

Statement of Cash Flows

From commencement of operations on April 1, 2016 to December 31, 2016

Cash provided by (used in):		
Operations:		
Net income and comprehensive income	$	18,910
Item not involving cash:		
Interest expense		7,046
Increase in interest receivable		(14,124)
Increase in accounts payable and accrued liabilities		10,000
Increase in unearned lender fees		44,222
Interest paid		(5,751)
		60,303
Financing:		
Proceeds from notes payable		937,864
Repayment of notes payable		(787,864)
Proceeds from issuance of limited partner's subscriptions		1,280,100
		1,430,100
Investing:		
Investment in mortgage investments		(2,106,309)
Principal repayments on mortgage investments		640,000
		(1,466,309)
Increase in cash being cash, end of period	$	24,094

See accompanying notes to financial statements.

Nature of operations:

B-Smart Home Loans Limited Partnership (the "Partnership") was registered as a partnership, under the Partnership Act, on April 1, 2016 and is domiciled in Canada. These financial statements reflect operations from April 1st to December 31, 2016.

These financial statements reflect the assets, liabilities, revenues and expenses of the Limited Partnership, and do not include any other assets, liabilities, revenues or expenses of the Limited Partners or the liability of the Partners for taxes on earnings of the Partnership. The Limited Partnership is not subject to income taxes, as the limited partners are taxed directly.

1. Basis of accounting:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the initial limited partners of the Partnership on March 3, 2017.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the functional currency of the Partnership.

(d) Use of estimates and judgments:

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1. Basis of accounting (continued):

(d) Use of estimates and judgments (continued):

The most significant estimates that the Partnership is required to make relate to the impairment of the mortgage investments (note 3). These estimates may include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation or regulation, prior encumbrances and other factors affecting the investments and underlying security of the investments.

The assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and uncertainty of predictions concerning future events. Accordingly, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

2. Significant accounting policies:

The Partnership's significant accounting policies are as follows:

(a) Revenue recognition:

Interest income on mortgage investments, loan origination, renewal fees, and other lender fees are recognized on an accrual basis using the effective interest method. Accrued but uncollected interest is reversed whenever a loan is considered to have become impaired.

(b) Financial instruments:

The Partnership's financial assets are comprised of cash, interest receivable, and mortgage investments, all of which are classified as loans and receivables. The Partnership initially recognizes loans and receivables on the date that they are originated. Such financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Accounts payable and accrued liabilities, notes payable, and interest payable have been classified as other financial liabilities. The Partnership initially recognizes financial liabilities on the date that they are originated. The Partnership derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Such financial liabilities are recognized initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2. Significant accounting policies (continued):

(c) Allocation of partnership income and loss:

The net income or loss of the Partnership for the fiscal year is allocated to limited partners at the end of the fiscal year in proportion to the number of limited partnership units owned in accordance with the limited partnership agreement. The Partnership is not itself a taxable entity. Accordingly, no provision for tax is required.

B-Smart Investment Management Corp., the General Partner is entitled to a portion of the net income or loss of the Partnership over time as the limited partners are repaid for their initial contributions and earn a specified return in accordance with the limited partnership agreement. Net income or loss is determined in accordance with IFRS.

(d) Related party transactions:

Monetary and non-monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(e) Mortgage investments:

Mortgage investments are recognized initially at fair value. Subsequent to initial recognition, mortgage investments are measured at amortized cost using the effective interest method, less any impairment losses. Mortgage credit quality is assessed at a specific and collective level for reasonable assurance of timely collection of the full amount of principal and interest. Impairment is assessed on a specific mortgage basis talking into account past experience, credit quality, payments in arrears, general economic conditions and real estate market conditions.

When a mortgage is identified as impaired, the carrying amount becomes the lower of the recorded investment and the estimated realizable amount. Estimated realizable amounts are measured by discounting the expected future cash flows at the effective interest rate inherent in the mortgage. When the amount and timing of such cash flows cannot be estimated with reasonable reliability, estimated realizable amounts are based on the fair value of the security underlying the mortgages, net of expected costs of realization.

2. Significant accounting policies (continued):

(e) Mortgage investments (continued):

Losses are recognized in the statement of comprehensive income and reflected in an allowance account against the mortgage investments. Interest on the impaired asset continues to be recognized through the unwinding of the discount if it is considered collectable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

3. Mortgage investments and interest receivable:

Mortgage investments are carried at the unpaid principal amount less an allowance for mortgage losses of nil. Interest receivable is carried at the accrued receivable amount less an allowance for losses of nil.

On a periodic basis, management reviews the mortgage portfolio, interest receivable and the overall general real estate market. Management may consider increasing the allowance for potential future mortgage losses as deemed necessary, based on any payment arrears, known risks, historical mortgage loss and current economic conditions and trends.

Mortgage investments totaling $45,000 have a due date of more than one year.

Unfunded portions of approved mortgages totaling $793,691 exist at December 31, 2016.

4. Notes payable:

From time to time, subject to availability, the Partnership may receive funds through the issuance of notes payable which will be used to fund mortgages.

The notes payable are unsecured, due on demand, and bear interest at the Canadian Western Bank Prime Rate plus 3%. The notes payable have been borrowed from entities and individuals that are considered to be related parties (note 6).

5. Partners' subscriptions:

The Partnership is authorized to issue 1,000,000 redeemable, retractable limited partnership units which each offer identical voting rights and participation in profits, losses and capital distributions of the Partnership as provided in the Partnership Agreement.

The Partnership issued 12,801 units during the period for cash proceeds of $1,280,100. No units were redeemed or retracted.

5. Partners' subscriptions (continued):

The General Partner holds 1 unit ($100) as at December 31, 2016.

6. Related party transactions:

Auxilium Mortgage Corporation and Linear Mortgage & Investments Ltd. (the "Managers") provided services to the Partnership under the terms of a management agreement. The cost of these services was $nil, but otherwise would be charged to management services expense. The directors of these companies are also the directors of the General Partner of the Partnership.

Amounts totaling $3,390 were paid to B-Smart Investment Management Corp., the General Partner, for the reimbursement of start-up costs paid on the Partnership's behalf.

The Partnership paid interest of $7,046 on notes payable to individuals and corporations that are considered related parties of the Partnership (note 4).

These transactions are in the normal course of operations or business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Financial instruments and risk management:

The Partnership is exposed to various risks as a result of holding financial instruments. These risks have been categorized as interest rate risk, credit risk and liquidity risk. The Managers approve and monitor the risk management processes.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Partnership's earnings are subject to fluctuations in interest rates and the degree of volatility of these rates. The Partnership's interest rate risk exposure arises due to its cash, interest receivable and mortgage investments.

The Partnership manages its cash based on its cash flow needs in order to optimize its interest income and reduce its interest expense. The Partnership does not use derivative instruments to reduce its exposure to interest rate risk.

The Partnership does not account for any fixed rate financial assets and liabilities at fair value through profit or loss; therefore a change in interest rates at the reporting date would not affect equity and profit or loss.

B-SMART HOME LOANS LIMITED PARTNERSHIP

7. Financial instruments and risk management (continued):

(b) Credit risk:

Credit risk is the risk that arises from the possibility that an entity to which the Partnership provides funding may not be able to repay their financial obligation. Credit risk arises from cash, as well as credit exposures to clients, including outstanding interest and mortgage investments. The maximum exposure is equal to the carrying value of the financial assets as at the reporting date.

The Partnership's cash are held with reputable financial institutions, and cash balances are insured by the Canada Deposit Insurance Corporation up to CDIC limits.

Credit risk for interest receivable and mortgage investments is the risk that the mortgagor will fail to discharge the obligation, causing the Partnership to incur a financial loss. Credit risk is reduced by ensuring that the collateral value of the security adequately protects the advances, that there is a viable exit strategy for each investment, that the mortgages are made to experienced borrowers and by limiting amounts advanced in relation to the value of the property secured. The mortgage portfolio is also diversified by location, property type and size of loan on any one property, which further manages credit risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. The Partnership's objective in managing liquidity risk is to maintain sufficient cash balances in order to meet its operational requirements at any point in time.

Management controls liquidity risk through cash flow projections used to forecast funding requirements for mortgage investments and anticipated issuance and redemption of partnership units.

As at December 31, 2016, accounts payable and accrued liabilities, notes payable, and interest payable are due within less than one year and, as such, the Managers believe it is capable of and expects to settle each liability within the next fiscal year.

7. Financial instruments and risk management (continued):

(d) Fair value:

The carrying amounts of cash, interest receivable, accounts payable and accrued liabilities, notes payable, and interest payable approximate their fair values due to the relatively short periods to maturity of these items or because they are receivable or payable on demand. The fair value of financial instruments are valued using Level 2 inputs (other than quoted prices), observable for the asset or liability either directly or indirectly. The carrying value of impaired mortgages, after the allowance for impairment, approximates their fair value based on the process followed to estimate the realizable amount. The fair value of performing mortgages and mortgages in arrears approximate their carrying value because the mortgage investments are repayable at any time at the option of the borrower.

8. Capital management:

The Partnership defined capital resources as partners' equity. The Partnership's capital management framework is designed to maintain a level of capital that allows it to implement its business strategy.

B-Smart Home Loans Limited Partnership

Interim Financial Statements

(Unaudited, Prepared By Management)

June 30, 2017

B-Smart Home Loans Limited Partnership

BALANCE SHEET **STATEMENT 1**

(Unaudited, Prepared By Management)

As At June 30, 2017

ASSETS

Cash	$	18,474
Interest Receivable (note 4)		3,692
Mortgage portfolio (note 3 and 4)		1,709,175
	$	1,731,341

LIABILITIES AND PARTNERS' EQUITY

Liabilities

Accounts Payable and Accrued Liabilities	$	5,375
Notes Payable (note 5)		320,000
Interest Payable		166
Management Performance Fee Allowance (note 8)		17,406
Unearned Lender Fees (note 6)		23,471
		366,418
Partners' Equity		1,364,923
	$	1,731,341

B-Smart Home Loans Limited Partnership

INCOME STATEMENT **STATEMENT 2**

(Unaudited, Prepared By Management)

Six Months Ended June 30, 2017

REVENUE		
Lender Fees	$	39,251
Mortgage Interest		58,894
		98,145
OPERATING EXPENSES		
Administration and office	$	0
Advertising and marketing		63
Allowance for Management Performance Fees		17,406
Interest and bank charges		1,815
Miscellaneous and sundry		250
Payroll – Administration		2,988
Professional Fees Accrual		6,000
		28,522
Net Income and comprehensive income	$	69,623

B-Smart Home Loans Limited Partnership
STATEMENT OF CHANGES IN PARTNERS' EQUITY **STATEMENT 3**
(Unaudited, Prepared By Management)
Six Months Ended June 30, 2017

	Trust Units	Equity	Total
Balance January 1, 2017	$ 1,280,100	$ 18,910	$1,299,010
Capital contributions (note 7)	-	-	-
Issuance costs	-	-	-
Distributions reinvested	15,200	(15,200)	-
Distributions paid	-	(3,710)	(3,710)
Net Income and comprehensive income	-	69,623	69,623
Balance June 30, 2017	$ 1,295,300	$ 69,623	$ 1,364,923

B-Smart Home Loans Limited Partnership

CASH FLOW STATEMENT **STATEMENT 4**

(Unaudited, Prepared By Management)

Six Months Ended June 30, 2017

Cash provided by (used in):		
OPERATIONS		
Net Income and comprehensive income	$	69,623
Items not involving cash:		
Decrease in Interest Receivable		10,432
Decrease in Interest payable		(1,129)
Decrease in Accounts Payable & Accrued Liabilities		(4,625)
Decrease in Unearned Lender Fees		(20,751)
Increase in Management Performance Fee Allowance Payable		17,406
		70,956
INVESTING		
Investment in Mortgage Investments		(945,000)
Principal Repayments on Mortgage Investments		702,134
		(242,866)
FINANCING		
Proceeds from notes payable		480,000
Repayments of notes payable		(310,000)
Proceeds from issuance of Limited Partners' Subscriptions		-
Limited Partner Distributions paid by cheque		(3,710)
		166,290
Decrease in cash and cash equivalents		**(5,620)**
Cash and cash equivalents, beginning of the period		24,094
Cash and cash equivalents, end of the period	$	18,474

B-Smart Home Loans Limited Partnership
NOTES TO FINANCIAL STATEMENTS
(Unaudited, Prepared By Management)
June 30, 2017

B-Smart Home Loans Limited Partnership was registered as a partnership, under the Partnership Act, on April 1 2016. These financial statements reflect operations from January 1st to June 30th 2017.

These financial statements reflect the assets, liabilities, revenues and expenses of the Limited Partnership, and do not include any other assets, liabilities, revenues or expenses of the Limited Partners or the liability of the Partners for taxes on earnings of the Partnership. The Limited Partnership is not subject to income taxes, as the limited partners are taxed directly.

The accounting policies of the Partnership follow International Financial Reporting Standards (IFRS). B-Smart Home Loans Limited Partnership (the 'Partnership') is domiciled in Canada. These financial statements are presented in Canadian dollars, which is the functional currency of the Partnership.

Note 1: Basis of accounting

These financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance.

These financial statements were authorized for issue by the General Partner on August 10, 2017.

Note 2: Use of judgements and estimates

The financial statements have been prepared on the historical cost basis. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Measurement of fair values

Management has overall responsibility for overseeing all significant fair value measurements. The most significant estimates that the Partnership is required to make relate to the impairment of the mortgage portfolio.

These estimates may include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation or regulation, prior encumbrances and other factors affecting the investments and underlying security of the investments.

Management regularly reviews the mortgage portfolio and valuation adjustments. The assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and uncertainty of predictions concerning future events. Accordingly, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

Note 3: Significant accounting policies

Financial instruments

The Partnership's financial assets are comprised of cash and mortgage investments, all of which are classified as loans and receivables. The Partnership initially recognizes loans and receivables on the date that they are originated. Such financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Demand loans and interest payable have been classified as other financial liabilities. The Partnership initially recognizes financial liabilities on the date that they are originated. The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Mortgage portfolio

Mortgage investments are recognized initially at fair value. Subsequent to initial recognition, mortgage investments are measured at amortized cost using the effective interest method, less any impairment losses. Mortgage credit quality is assessed at a specific and collective level for reasonable assurance of timely collection of the full amount of principal and interest. Impairment is assessed on a specific mortgage basis taking into account past experience, credit quality, payments in arrears, general economic conditions and real estate market conditions.

When a mortgage is identified as impaired, the carrying amount becomes the lower of the recorded investment and the estimated realizable amount. Estimated realizable amounts are measured by discounting the expected future cash flows at the effective interest rate inherent in the mortgage. When the amount and timing of such cash flows cannot be estimated with reasonable reliability, estimated realizable amounts are based on the fair value of the security underlying the mortgages, net of expected costs of realization.

Losses are recognized in the statement of comprehensive income and reflected in an allowance account against the mortgage investments. Interest on the impaired asset continues to be recognized through the unwinding of the discount if it is considered collectable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Note 4: Mortgage Portfolio and Interest Receivable

Mortgage investments are carried at the unpaid principal amount less an allowance for mortgage losses of nil. Interest receivable is carried at the accrued receivable amount less an allowance for losses of nil.

On a periodic basis, management reviews the mortgage portfolio, interest receivable and the overall general real estate market. Management may consider increasing the allowance for potential future mortgage losses as deemed necessary, based on any payment arrears, known risks, historical mortgage loss and current economic conditions and trends.

Mortgage investments totaling $45,000 have a due date of more than one year.

Unfunded portions of approved mortgages totaling $735,825 exist at June 30, 2017.

Note 5: Notes Payable

From time to time, subject to availability, the Initial Limited Partners (including affiliates of the Initial Limited Partners) may lend to the Issuer funds through the issuance of unsecured, demand promissory notes at an interest rate of the Canadian Western Bank Prime Rate plus 3%, which the Company will use to fund mortgages (collectively, the "**Notes**"). As at June 30th 2017, the Canadian Western Bank Prime Rate was 2.70%. As at June 30th, the Issuer had borrowed $320,000 from the Initial Limited Partners (including affiliated persons) on such terms.

Note 6: Unearned Lender Fees

Lender fees are recorded as revenue on a straight-line monthly basis, over the life of each mortgage. If a mortgage is paid out early, any remaining lender fee for that mortgage is recognized as revenue in the month that the mortgage was paid out.

Note 7: Partners' Capital Contributions

The partners' contributions are allocated as follows:

B-Smart Investment Management Corp.	$ 100
The Initial Limited Partners	514,600
Arm's Length Limited Partners	780,600
Total Partners' Contributions	$1,295,300

Details of the terms and rights of the partnership units are fully described in the Partnership Agreement, sections four through six.

Note 8: Management Performance Fee Allowance

Under the Partnership Agreement, the General Partner has delegated the performance of the day-to-day administrative, supervisory, property management, loan brokerage and underwriting services of the Partnership to Auxilium Mortgage Corporation and Linear Mortgage & Investments Corp. (collectively, and as more particularly defined in the Partnership Agreement, the "Manager"). The Manager is affiliated with each of the Initial Limited Partners. Pursuant to the Partnership Agreement, the Partnership and the Manager have entered into a Management Services Agreement dated April 1, 2016 in respect of the performance of such services. To compensate the Manager for performing its obligations under the Management Services Agreement, Section 8.22 of the Partnership Agreement obligates the Partnership to pay the Manager or its assigns, within a reasonable time after December 31st of each Fiscal Year of the Partnership, a fee equal to twenty percent (20%) of the Net Income of the Partnership during such Fiscal Year (as more particularly defined in the Partnership Agreement, the "Performance Fee"), provided that the Performance Fee is payable only if the Partnership's Net Return on Investment during such Fiscal Year is three percent (3%) or greater. "Net Return on Investment" means, in respect of any Fiscal Year, the percentage gain or loss on the average daily Contributed Capital of the Partnership, after deducting Partnership expenses incurred pursuant to Section 8.8 of the Limited Partnership Agreement.

Note 9: Related Party Transactions

The following summarizes the material agreements to which the Partnership is currently or anticipates to be a party or that are with a related party.

Management Service Agreement

Under the Management Services Agreement, the Manager has been engaged to administer the Issuer's day-to-day business, to provide business offices for the Issuer, and to advise the Issuer with respect to the raising of investment capital and the investment of that capital, from time to time. Compensation details are disclosed in Note 8.

Unsecured Promissory Notes issued to Initial Limited Partners

From time to time, subject to availability, the Initial Limited Partners (including affiliates of the Initial Limited Partners) may lend to the Issuer funds through the issuance of unsecured, demand promissory notes at an interest rate of the Canadian Western Bank Prime Rate plus 3%, which the Company will use to fund mortgages (collectively, the "**Notes**"). Further details are disclosed in Note 5.

B-Smart Investment Management Corp.

Interim Financial Statements

(Unaudited, Prepared By Management)

June 30, 2017

B-Smart Investment Management Corp.

BALANCE SHEET **STATEMENT 1**

(Unaudited, Prepared By Management)

As At June 30, 2017

ASSETS

Cash	$	485
Investment in B-Smart Home Loans Limited Partnership		100
Incorporation Costs		835
	$	1,420

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities		
Shareholder's Loans (Note 2)	$	1,425
		1,425
Shareholders' Equity		
Share Capital (Note 3)		4
Deficit		(9)
		(5)
	$	1,420

B-Smart Investment Management Corp.

INCOME STATEMENT **STATEMENT 2**

(Unaudited, Prepared By Management)

Three Months Ended June 30, 2017

REVENUE		
Investment Revenue	$	0
		0
EXPENSES		
Interest and bank charges		15
Miscellaneous		4
		19
Net Income (Loss)	$	(19)

B-Smart Investment Management Corp.

STATEMENT OF RETAINED EARNINGS **STATEMENT 3**

(Unaudited, Prepared By Management)

Three Months Ended June 30, 2017

Retained Earnings, Beginning of the Period	$	10
Net Income for the Period		(19)
Dividends declared		-
Deficit, End of the Period		(9)

B-Smart Investment Management Corp.

CASH FLOW STATEMENT **STATEMENT 4**

(Unaudited, Prepared By Management)

Three Months Ended June 30, 2017

CASH FROM OPERATING ACTIVITIES		
Net Loss	$	(19)
Items not involving cash:		
Decrease in Accounts Receivable		10
		(9)
CASH FROM INVESTING ACTIVITIES		0
		0
CASH FROM FINANCING ACTIVITIES		0
		0
Decrease in cash and cash equivalents		(9)
Cash and cash equivalents, beginning of the period		494
Cash and cash equivalents, end of the period	$	485

B-Smart Investment Management Corp.
NOTES TO FINANCIAL STATEMENTS
(Unaudited, Prepared By Management)
June 30, 2017

B-Smart Investment Management Corp. was incorporated under the laws of British Columbia on April 4, 2013. Its main business activity is investment management. These financial statements reflect operations from April 1st 2017 to June 30th 2017.

Note 1: Summary of Accounting Policies

The accounting policies follow International Financial Reporting Standards (IFRS).

Note 2: Shareholders' Loans

These loans are due to the same parties as the Initial Limited Partners of B-Smart Home Loans Limited Partnership. Amounts due to shareholders are non interest-bearing with no fixed terms of repayment.

Note 3: Share Capital

Issued: 20 Class "A" Shares without par value	$2.00
Issued: 20 Class "B" Shares without par value	2.00
	$4.00

ITEM 14 – DATE AND CERTIFICATE

Dated as of the 11 day of August 2017.

THIS OFFERING MEMORANDUM DOES NOT CONTAIN A MISREPRESENTATION.

B-SMART HOME LOANS LIMITED PARTNERSHIP
by its General Partner, B-SMART INVESTMENT MANAGEMENT CORP.

____

Kamaljit Singh Brar, Authorized Signatory

____

Robinson Keith Rettinger, Authorized Signatory