

Form 45-106F6

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

IBC Advanced Alloys Corp.

Website: www.ibcadvancedalloys.com

Suite 818, 700 West Georgia Street

PO Box 10077

Vancouver, BC V7Y 1B6

Telephone number: 604 685-6263

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The issuer is a reporting issuer in British Columbia, Alberta and Ontario.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

☐ Bio-tech

☐ Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ securitized products issuers

☐ Forestry

☐ Hi-tech

☒ Industrial

☐ Mining

☐ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☐ Other (describe)
Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Not applicable.			

Details of distribution**Item 5: Distribution date**

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

May 24, 2016

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;
- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

19,188,345 units (the “Units”). Each Unit is comprised of one post-consolidated common share and one common share purchase warrant (the “Warrants”) of the Issuer. Each Warrant entitles the holder to acquire one additional post-consolidated common share at an exercise price of \$0.50 per post-consolidated common share until May 24, 2021. If the Issuer’s common shares trade at \$2.50 or more for 21 consecutive trading days at any time after May 24, 2018, then the Issuer may elect to accelerate the expiry term of the warrants pursuant to which holders of the Warrants will have 60 days within which to exercise their Warrants. If such holders fail to exercise their warrants during the 60 day period, then such unexercised Warrants will expire and be of no further force or effect.

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder’s fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	35	\$0.375	\$2,740,439.63
Alberta	5	\$0.375	\$225,525.00
Ontario	8	\$0.375	\$415,999.14
Nova Scotia	1	\$0.375	\$75,000.00
California	2	\$0.375	\$14,375.00
Colorado	4	\$0.375	\$698,775.00

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Florida	2	\$0.375	\$312,500.00
Arizona	2	\$0.375	\$187,875.00
North Carolina	2	\$0.375	\$96,295.38
Rhode Island	1	\$0.375	\$62,500.00
Indiana	1	\$0.375	\$32,661.38
Belgium	30	\$0.375	\$1,482,499.50
The Netherlands	47	\$0.375	\$775,875.13
United Kingdom	1	\$0.375	\$3,000.00
Japan	1	\$0.375	\$31,250.63
Germany	1	\$0.375	\$5,062.50
Mongolia	1	\$0.375	\$6,000.00
Sweden	1	\$0.375	\$30,000.00
Total number of Purchasers	145		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$7,195,633.29

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers

Instructions

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Pathfinder Asset Management Limited 1320-885 West Georgia St. Vancouver, BC V6C 3E8 Rob Ballard 604.682.7312	R	1,333,334 Units	\$500,000.25	Section 2.3 of National Instrument 45-106	2016-05-24
Cedarpoint Capital Inc. 2032 23rd Ave SW Calgary, AB T2T 0V7 Tarik Elsaghir Tel: not available		270,000 Units	\$101,250.00	Section 2.3 of National Instrument 45-106	2016-05-24
Blackstone Capital Partners Inc. Suite 1100 - 888 Dunsmuir Street Vancouver, BC V6C 3K4 Michael Veldhuis 604.304.4083		65,000 Units	\$24,375.00	Section 2.3 of National Instrument 45-106	2016-05-24
Elysee Development Corp. #2300 - 1066 West Hastings Street Vancouver, BC V6E 3X2 Guido Cloetens 604.689.1749		1,300,000 Units	\$487,500.00	Section 2.3 of National Instrument 45-106	2016-05-24

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
2379388 Ontario Ltd. 23 White Harwood Seven Oaks, Kent TN13 1RS UK Dr. M. Kalairajah 441689823887		8,000 Units	\$3,000.00	Section 2.3 of National Instrument 45-106	2016-05-24
1822365 Alberta Ltd 805 Ward St. Nelson, BC V7L 1T4 Bruce Ramsay 403.235.1286		200,000 Units	\$75,000.00	Section 2.3 of National Instrument 45-106	2016-05-24
Brigus Capital Inc. 2001-1967 Upper Water St. Halifax, NS B3J 3Y5 Wade Dawe 902.441.0706		200,000 Units	\$75,000.00	Section 2.3 of National Instrument 45-106	2016-05-24
AlphaNorth Asset Management 333 Bay St, Suite 630 Toronto, ON M5H 2R2 Steve Palmer 416-862-3168		667,000 Units	\$250,125.00	Section 2.3 of National Instrument 45-106	2016-05-24
Participa BV Mevr V Vollenhovenpark 21 3971CW Driebergen The Netherlands J. Verbon +31 652420954		27,000 Units	\$10,125.00	BC Instrument 72-503	2016-05-24
Spire BV Markenhaven 32 3826 AC Amersfoort The Netherlands T.P. Van Dormael +31 651573599		140,000 Units	\$52,500.00	BC Instrument 72-503	2016-05-24
Scharfe Holdings Inc. 700-510 W Hastings St Vancouver, BC V6B 1L8 Brad Scharfe 778.386.1313		100,000 Units	\$37,500.00	Section 2.3 of National Instrument 45-106	2016-05-24

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Varshney Capital Corp. 2050-1055 West Georgia St. Vancouver, BC V6E 3P3 Hari Varshney 604.684-2181		100,000 Units	\$37,500.00	Section 2.3 of National Instrument 45-106	2016-05-24
Hampson Equities Ltd. Suite 450, 1090 West Georgia St. Vancouver, BC V6E 3V7 C.Geoffrey Hampson 604.897.1333		275,000 Units	\$103,125.00	Section 2.3 of National Instrument 45-106	2016-05-24
Caliber Communication Corp 401-4371 W. 10th Ave Vancouver, BC V6R 2H6 Ian Tootill 778.836.5914		87,098 Units	\$32,662.00	Section 2.3 of National Instrument 45-106	2016-05-24
Kyly Investment Ltd. #2-1900 Indian River Cres North Vancouver, BC V7E 2R1 A. Morishita 604.805.5053		100,000 Units	\$37,500.00	Section 2.3 of National Instrument 45-106	2016-05-24
D Brynelsen Per. Real Estate Corp. 0944006 OPS 5385 Sans Souci Rd Halfmoon Bay, BC V0N 1Y2 Denise Broderick 604.885.9352		53,333 Units	\$20,000.00	Section 2.3 of National Instrument 45-106	2016-05-24
Total:		4,925,765	\$1,847,162.25		

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Rory Godinho [Address redacted]		\$98,415	907,000 Finder's Warrants ^[1] 233,000 Finder's Units ^[2]	n/a \$0.375	BC Instrument 45-529 2016-05-24	\$98,415
Richardson GMP Ltd. 550 Burrard Street, Suite 500, Vancouver, BC V6C 2B5	R	\$12,892.50	None / Not applicable	n/a	n/a	\$12,892.50
Kernaghan & Partners Ltd. 79 Wellington Street, Suite 605, Toronto, ON M5K 1K7		\$1,499.97	None / Not applicable	n/a	n/a	\$1,499.97

Wolverton Securities Ltd. 777 Dunsmuir St #1700, Vancouver, BC V7Y 1J5	R	\$60,330.02	None / Not applicable	n/a	n/a	\$60,330.02
Echelon Wealth Partners Inc. 130 King Street West, Suite 2500, Toronto, ON M5X 2A2	R	\$2,399.99	None / Not applicable	n/a	n/a	\$2,399.99
Mackie Research Capital Corporation Suite 1920 – 1075 W. Georgia Street, Vancouver, BC V6E 3C9	R	\$8,550	None / Not applicable	n/a	n/a	\$8,550
Canaccord Genuity Corp. 19th Floor – 609 Granville St., Vancouver, BC V7Y 1H2	R	\$4,117.50	None / Not applicable	n/a	n/a	\$4,117.50
AlphaNorth Asset Management 333 Bay St., Suite 630, Toronto, ON M5H 2R2	R	\$15,007.50	None / Not applicable	n/a	n/a	\$15,007.50

Notes:

[1] The Finder's Warrants are exercisable at \$0.375 per common share for five years from closing date with the same acceleration provision as applicable to the Warrants under the private placement.

[2] The Finder's Units have the same terms as the Units under the private placement.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: June 3, 2016

IBC Advanced Alloys Corp.

Name of issuer (please print)

David R. Heinz, CEO, 978-808-6125

Print name, title and telephone number of person signing

"David R. Heinz"

Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

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