No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

OFFERING MEMORANDUM

Date: October 31, 2015

The Issuer

Name: DUNDARAVE MORTGAGE INVESTMENT CORPORATION (the "Company" or the "Issuer" or the "Corporation")

Head Office: Address: 1885 Marine Drive, North Vancouver, B.C. V7P 1V5
Phone #: (604) 985-5626
E-Mail address: info@dmic.ca
Fax #: (604) 990-9644
Website: www.dmic.ca

Currently listed or quoted: These securities do not trade on any exchange or market.
Reporting Issuer: The Company is currently not a reporting issuer.
SEDAR files: The Company is currently not a SEDAR filer.

The Offering

Securities Offered: 10,000,000 Class "A" Redeemable Preferred Shares with a par value of $1.00 each (the "Preferred Shares").
Price per security: $1.00 per Preferred Share.

Minimum/Maximum Offering: The minimum offering is 50,000 Preferred Shares. **You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.** The maximum offering is 10,000,000 Preferred Shares.

Minimum Subscription Amount: This offering is subject to a minimum subscription level which is 50,000 Preferred Shares in the first closing date to be determined by the Company (the "First Closing").

Payment Terms: Any subscriber shall provide a cheque, bank draft or money order to the Company upon execution of the Subscription Agreement by the subscriber.

Proposed closing date(s): All subscriptions received are subject to rejection or acceptance in full or in part by the Company and the right is reserved to closing the offering at any time without notice by the Company. The Company may also have a number of closings at the Company's discretion.

Tax Consequences: There are important tax consequences to these securities. See Item 6.

Selling Agent: There are no agents engaged by the Issuer at the date of this Offering Memorandum. In the event that some of the shares are sold with the assistance of a selling agent, then the total commission will be adjusted accordingly but such commissions shall not exceed $.03 per share. Any commissions will be paid by the Issuer. The Issuer may also pay finder's fees up to a maximum of $.03 per share in compliance with the Securities Act to parties who locate potential subscribers of the Issuer. If the Issuer engages to sell shares of the Issuer through members of the Mutual Fund Dealership Association or Investment Dealers Association, the Issuer will comply with all requirements regarding such sales.

Resale Restrictions

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

Purchaser's Rights

You have two (2) business days to cancel your agreement to purchase these shares. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11.

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Forward-Looking Information

This Offering Memorandum contains information or disclosures that may constitute forward-looking information under applicable securities laws. Forward-looking information 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 information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company and relate to, among other things, anticipated financial performance; business prospects; strategies; the nature of the Company's operations; sources of income; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Company to raise capital; the Company's business outlook; plans and objectives for future operations; forecast business results; and anticipated financial performance.

The risks and uncertainties of the Company's business, including those discussed under Item 8 – Risk Factors, could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, the Company bases forward-looking information 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 information and should be aware that events described in the forward-looking information set out in this Offering Memorandum may not occur. The Company cannot assure prospective investors that its future results, levels of activity and achievements will occur as the Company expects, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking information. Except as required by law, the Company assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Item 1 Use of Available Funds

1.1 *Funds*

The following are the net proceeds of the offering and the funds that will be available to the Issuer after the offering.

Description		Assuming Minimum Offering	Assuming Maximum Offering
A.	Amount to be raised by this offering	$50,000.00	$10,000,000.00
B.	Selling commissions and fees	$0[(1)]	$0[(1)]
C.	Estimated offering costs (e.g., legal, accounting, audit)	$8,000.00	$8,000.00
D.	Available Funds: D = A - (B+C)	$42,000.00	$9,992,000.00
E.	Additional sources of funding available	$638,503.00	$638,503.00
F.	Working capital deficiency	$0[(2)]	$0[(2)]
G.	Total: G = (D + E) - F	$ 680,503.00	$ 10,630,503.00

(1) Assuming no commissions or finder's fees are payable.
(2) As at the date of the financial statements included with this Offering Memorandum.

1.2 *Use of Available Funds*

The available funds from the offering will be used as follows:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
All proceeds will be used to increase the Company's net book value which in turn will allow the Company to invest up to perhaps 5 times its net book value in mortgages pursuant to the Company's investment policies	$ 42,000.00	$ 9,992,000.00
Management fees, professional fees, office expenses, annual general meeting expenses, insurance and licences and dues	$ 75,000.00	$ 75,000.00

1.3 *Reallocation*

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

Item 2 Business of the Company

2.1 *Structure*

Dundarave Mortgage Investment Corporation was incorporated under the British Columbia *Business Corporations Act* on July 10, 2008.

2.2 *Our Company's Business*

Overview

The Company will operate in such a manner as to remain qualified as a mortgage investment corporation under the *Income Tax Act* (Canada). The proceeds the Company receives from this Offering will be invested in a portfolio of residential, commercial, construction and other mortgages on real property located in Canada but in particular in Alberta and British Columbia. The Issuer intends to pay out to its shareholders all of its net income.

The Company is registered under the *Mortgage Broker Act* (British Columbia) which enables it to carry on business as a mortgage investment corporation in British Columbia. The Company will apply to be a registered mortgage broker in any jurisdiction in which the Company operates and is required to register.

Principal Investments and Operating Results

The Company has carried on business since February 1, 2009 and the most recent audited financial statements of the Company are dated January 31, 2015.

Funds available for investment will come from the proceeds of the Offering, and possibly by borrowing from lenders. (Refer to "Borrowing").

The Issuer's investments are and will be primarily mortgages on properties in Canada with particular emphasis on income producing residential, commercial, construction and other mortgages on properties located in Canada but particularly within British Columbia and Alberta.

Borrowing

Under applicable legislation, the Company is permitted to borrow up to five (5) times the net book value of its assets. The Company has not borrowed any funds as of the date of this Offering Memorandum, however, the Company may borrow funds at a later date. Any borrowings will be made from arms' length parties and on the expectation that such borrowing will be done to increase the overall profitability of the Company.

To minimize the effect of interest rate movements, it will be the Company's policy generally to match the terms of mortgage investments with the terms of its debt obligations. Matching will be made on the basis of cash flow and the maturity dates of the company's mortgage asset portfolio, taking into account such factors as anticipated prepayments, payment defaults and accelerated amortization. The Company may also enter into such other financial transactions as the Manager and the directors of the Company determine to improve the match of mortgage investments and debt obligations and to reduce funding costs.

With respect to such borrowing, the Company's objective is to secure profitable interest rate differences (or "spreads"), rather than attempt to capitalize on fluctuations in interest rates. To the extent that the Company can fix the spread in interest rates between its mortgage investments and its debt obligations, the portion of the mortgage portfolio funded by debt (or "leveraged") becomes largely insensitive to variations in market interest rates.

The net interest spread will be calculated by the Company as the difference between the weighted average interest rate on its mortgage investments, restated on an effective annual basis to take into account compounding, less the interest rate on the Company's debt obligation.

Investment and Loan Policies

The Directors approve the Issuer's investment and loan policies from time to time. The Directors may approve an amendment to the investment policies of the Issuer from time to time provided that:

(a) the Directors approve the amendment by resolution of the Directors; and

(b) the Preferred Shareholders approve the amendment to the investment and loan policies at a meeting of the Preferred Shareholders called by the Directors. The Directors shall, for the purposes of calling a meeting, notify each of the Preferred Shareholders of the time and place of the meeting and shall provide each Shareholder with a summary of the proposed amendment to the investment and loan policies. For the purposes of the meeting, a quorum of the Preferred Shareholders shall be fifteen (15%) percent of the shareholders eligible to vote at the meeting. The Directors may make such additional rules with respect to the meeting of the Preferred Shareholders as they may consider appropriate in the circumstances.

Investment Criteria

The Issuer has established investment criteria including the following:

(a) The Issuer will make investments so that it maintains its status as a MIC under the Tax Act.

(b) Investments will be secured by mortgages and/or other appropriate security interests in favour of the Issuer, either as sole mortgagee or co-mortgagee, and each mortgage will be duly registered in the appropriate land title office as a charge against the real property which is the subject of the mortgage.

(c) Once the Issuer has share capital of at least $4,000,000.00, individual loans are not to exceed the greater of One Million Five Hundred Thousand ($1,500,000.00) Dollars or Ten (10%) percent of the Issuer's total mortgage portfolio.

(d) Loans will be made to borrowers dealing with the Issuer and the Manager or their affiliates, shareholders, officers and directors at arm's length.

(e) Up to fifty (50%) percent of the share capital of the Issuer may be secured on non-residential property.

(f) Mortgages will be registered as a charge against real property, provided that the overall loan to value ratio does not exceed seventy-five (75%) percent (including prior charges) except for loans on detached single family homes, or townhouses or duplexes (which townhouses or duplexes are not part of a condominium-apartment complex) in the Greater Vancouver Regional District or the Victoria Regional District which loan to value ratio shall not exceed eighty-five (85%) and the total combined value of the prior charges are within the investment parameters of the Issuer.

(g) Prior to funding, the Issuer will obtain current appraisals on all properties which secure the loan. The appraisals will be completed by an accredited appraiser approved by the Manager.

(h) The initial term of each mortgage will not exceed a term of twenty-four (24) months.

(i) The Issuer will only make investments in Provinces of Canada in which the Issuer is lawfully permitted to do business.

(j) The Issuer will not borrow more than one times the net book value of the Issuer's assets, unless the Preferred Shareholders authorize an increase in the loans by way of ordinary resolution.

(k) The Issuer may advance additional monies on a mortgage loan in order to protect its mortgage investment, notwithstanding that the additional advance of funds may increase the loan to value ratio to above the parameters set out above.

2.3 *Development of Business*

The Company has and expects to continue to obtain mortgages for its portfolio from the following sources:

(a) **Direct** - through direct negotiations with borrowers such as home purchasers, home owners, home builders and industrial and commercial owners, developers and real estate syndicators.

(b) **Agency Origination** - through qualified market intermediaries who assist in identifying mortgage investment opportunities consistent with the Company's investment policies. These intermediaries will be experienced mortgage brokers or lenders who have demonstrated their ability to supply mortgage loans within the parameters of the Company's lending criteria.

During the Company's two most recently completed financial years there have not been any unusual events or conditions that have favourably, or adversely, influenced the development of the Company's business.

2.4 *Long Term Objectives*

The long term objective of the Company is to obtain a continuous supply of performing mortgages which enables the Company to pay its dividend obligations pursuant to the Articles of the Company. The Issuer's investments are and will continue to be mortgages on residential and commercial property in Canada with particular emphasis on British Columbia. The plan for portfolio development includes lending by way of mortgages on residential and commercial property and construction projects. An investment in the Preferred Shares of the MIC is intended to provide Investors with an opportunity to participate in a program of residential project equity, construction, interim and land servicing mortgage loans and related investments in quality residential, commercial, office and industrial real estate projects as permitted within the guidelines for a MIC. In most cases the Issuer's mortgage investments will not meet financing criteria for conventional mortgages. As a result, these investments are expected to earn a higher rate of return than that normally attainable from conventional mortgage investments. The Issuer expects to minimize risk by lending to owners and developers that have satisfactory credit. The Issuer also expects to minimize risk by following the investment criteria as set out in Section 2.2.

The Issuer invests primarily in British Columbia. The Issuer will consider expansion into other areas of Canada at an appropriate time. Emphasis will be on urban centres and growth areas where investment opportunities may be maximized. The Issuer will not invest in mortgages on property outside Canada.

The Issuer may participate in part only of any mortgage investment. The Manager may syndicate the balance of the investment to other mortgage investors. By restricting its participation in large individual investments, the company will enjoy the benefits of increased portfolio diversification. It may also enable the Issuer to participate with the financing of larger real estate projects and developments than would otherwise be possible.

The Issuer's investments will typically fall into the following major loan categories:

(a) Residential Loans – these loans will be secured by either first or subsequent mortgages against residential property. Interest on the loans will be payable monthly, unless otherwise agreed by the Manager. In addition, a bonus may be charged on the mortgage and the bonus payment will be secured under the mortgage charge.

(b) Project Equity Loans – these loans are advanced to bridge the "gap" between the amount of equity which is provided by a developer and the amount available through conventional financing in the construction and development of residential, commercial or industrial property. Interest payments are usually due monthly or quarterly. Because project equity loans are typically higher risk, potential returns are significantly higher than conventional mortgage returns. Accordingly, additional remuneration is often stipulated in the form of a bonus payment included in and secured under the mortgage charge.

(c) Construction Loans – These loans are advanced to finance the construction and development of residential, commercial, office or industrial property. Interest payments are usually due monthly or quarterly and may be deducted from progress advances on a work-in-place/cost-to-complete basis. These loans are higher risk than loans on completed buildings and accordingly, the return is usually based on a percentage over bank prime with a floor rate. Additional remuneration may also be stipulated in the form of a bonus payment included in and secured under the mortgage charge.

(d) Interim Loans – These loans are advanced to finance a complete or substantially completed residential, commercial, office or industrial building with potential for higher returns as a result of renovation, redevelopment, new tenancies or other circumstances. Interest payments are usually due monthly or quarterly. While the construction risk is substantially eliminated, the success of these projects is subject to market conditions. Accordingly, the return is usually similar to construction loans.

(e) Land Servicing Loans – these loans are advanced to finance the development of land zoned or approved for development to a condition suitable for construction. The development process generally includes clearing, grading, road construction, installation of sewer and water systems, underground utilities and other improvements such as road curbs and gutters, which may be required by the governing municipality. This will involve, where applicable, the funding of progress advances on a work-in-place/cost-to-complete basis. The initial advance under a land servicing loan may be made before development commences, but generally not before the subject property is zoned or approved by the municipality for the intended use. Interest payments are usually due monthly or quarterly and may be deducted from progress payments. Principal repayments are made as and when individual lots or parcels are sold. Because land servicing loans are made at an early stage of project development, they tend to be higher risk and therefore offer a higher return. This often takes the form of an interest rate supplemented by per lot discharge fees and other bonus payments.

Loans are generally for terms of 6 to 24 months. Interest on loans is normally stipulated as either:

(a) a floating rate expressed as a margin over the prime lending rate of the Issuer's bankers, often subject to a minimum specified rate; or

(b) a fixed rate of interest.

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

The Company's objectives over the next 12 months are the same as its long term objectives as set out in Item 2.4 'Long Term Objectives'.

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	
		Minimum Offering	Maximum Offering
Engage a manager to continue to source mortgages on a basis as set forth in Item 2.2 of this Offering Memorandum	Next 12 months	$0	10,000,000 Preferred Shares

2.6 ***Insufficient Funds***

Not applicable.

2.7 ***Material Agreements***

By an agreement dated July 10, 2008 (the "Management Agreement") between Dundarave Management Ltd. (the "Manager") and the Issuer, the Manager is solely responsible for managing the operations of the Issuer in accordance with its Articles and investment policies and is responsible, among other things, for:

1. Originating and administering mortgages and other security interests in real property.

2. Providing financial services for the operations of the Issuer including administering general security agreements and other forms of security of the Issuer.

3. Providing administrative services required by the Issuer in carrying on business as a mortgage investment company.

The Management Agreement has a term of ten (10) years which is automatically renewed for an indefinite number of ten (10) year terms. The agreement will not be renewed if either party provides one (1) year notice of intention to not have the agreement renewed. However, the Management Agreement may be terminated by the Issuer upon the happening of one of the following events:

1. (a) if any proceedings in insolvency, bankruptcy, receivership or liquidation be taken against the Manager;

   (b) if the Manager makes an assignment for the benefit of any creditors or commence any action of bankruptcy within the meaning of the Bankruptcy Act (Canada);

   (c) if the Manager assigns or purports to assign the Management Agreement or any rights accruing hereunder without the prior consent in writing of the Issuer;

   (d) if the Manager commits a breach or default under the Management Agreement, provided that if such breach or default does not relate to payment of any monies to be paid by the Manager to the Issuer hereunder, the Issuer shall give the Manager notice in writing stipulating the breach or default by the Manager to remedy such breach or default and the Issuer shall have a period of thirty (30) days from the date of the giving of such notice to remedy the default to which such notice relates;

   (e) if the Issuer gives to the Manager one (1) year notice of its intention to terminate this Management Agreement; or

   (f) by mutual consent, in writing, of the Issuer and the Manager.

This Management Agreement may be terminated by the Manager at any time upon the happening of one of the following events:

(a) if any proceedings in insolvency, bankruptcy, receivership or liquidation be taken against the Issuer other than proceedings relating to realizations of security on any mortgage property;

(b) if the Issuer shall make an assignment for the benefit of a creditor or commits any act of bankruptcy within the meaning of the Bankruptcy Act Canada;

(c) if the Issuer shall assign the Management Agreement, or any rights accruing thereunder without prior consent in writing of the Manager;

(d) if the Issuer commits a breach or default under the Management Agreement, provided that if such breach or default does not relate to payment of any monies to be paid by the Issuer to the Manager hereunder, the Manager shall give the Issuer notice in writing stipulating the breach or default by the Issuer to remedy such breach or default and the Issuer shall have a period of thirty (30) days from the date of the giving of such notice to remedy the default to which such notice relates;

(e) if the Manager gives the Issuer one (1) year notice of its intention to terminate this Management Agreement; or

(f) by mutual consent, in writing, of the Issuer and the Manager.

In the event of termination of this Management Agreement:

(a) the Management Agreement and the agency created shall terminate and be of no further force or effect and all rights or obligations of the Issuer and the Manager shall cease;

(b) the Manager shall be entitled to no special compensation for services being ceased as a result of such termination; and

(c) the Manager shall turn over and deliver to the Issuer (or its authorized agent) all trust monies of the Issuer and all other funds held by it in respect of all Mortgages serviced hereunder and all documents, records, tax receipts, insurance policies, appraisals, and correspondence, files and other papers in the Manager's possession pertaining to the Mortgages serviced hereunder.

Provided however that such termination shall be concurrent with and in addition and without prejudice and not in lieu of or in substitution for any other rights herein contained, or all and any remedies in law or in equity which each of the parties hereto may have, for the enforcement of its rights under the Management Agreement and the remedies for any default under the provisions hereto.

Pursuant to the Management Agreement, the Manager must carry out its duties fairly, honestly and in the best interests of the Issuer and must exercise the degree of care, diligence and skill that a reasonably prudent person experienced in the business of mortgage administration and management would exercise in comparable circumstances. The Manager is not liable to the Issuer for any loss caused by the Manager in carrying out its duties under the Management Agreement unless the loss resulted from the negligence, wilful misconduct or dishonesty of the Manager, its officers, employees or agents in the performance of its duties. Furthermore, the Issuer has agreed to indemnify and save the Manager harmless in the event that the Manager suffers a loss of any nature whatsoever in connection with the performance of its duties under the Management Agreement, except where such loss resulted from the negligence, wilful misconduct or dishonesty of the Manager or its officers, employees or agents.

By an additional agreement dated October 7, 2008 (the "Tri-Partite Management Agreement") among the Manager, the Issuer, and Centum Capital Group Inc. (“Centum”), the Issuer authorizes Centum to be a non-exclusive supplier of mortgage loan opportunities for the Issuer in accordance with investment parameters from time to time approved by the Issuer and Centum will be eligible for standard brokerage fees negotiated on a case-by-case basis. (Centum has since changed its name to “Dominion Lending Centres Commercial Capital Inc.”)

Expenses and Management Fees

The Management Agreement provides that in consideration of the services provided by the Manager as described above, the Issuer has agreed to pay to the Manager a fee (the "Fee") of two (2%) percent of the yearly outstanding balance of the Mortgage Portfolio.

This Fee is calculated and paid monthly on or before the 15th day of the month following the month in question on the basis of the operations of the Issuer during the previous quarter subject to the adjustment as a result of a dispute by the Issuer. The fee will ultimately be reconciled on an annual basis.

The Manager will bear the cost of administration of the mortgages in the Issuer's asset portfolio and other expenses except certain disbursements as provided for in the Management Agreement. The Manager and the Issuer may by mutual agreement reduce the amount payable to the Manager on account of services provided to the Issuer.

Management services provided to the Issuer and expenses incurred by or on behalf of the Issuer in connection with all matters, other than management services in connection with the Issuer's daily operations will be for the account of the Issuer.

The expenses to be paid directly by the Issuer include fees and expenses of its directors and officers, the cost of acquisition of mortgages, appraisal fees, foreclosure costs, taxes of all kinds to which the Issuer is subject, the interest expenses, auditors' fees, legal fees, fees payable in respect of the issuance and administration of the Issuer's debentures, transfer agent fees, the cost of submitting financial reports and providing other information to shareholders and regulators, messenger service, photocopying, land title search, credit bureau reports, printing costs, survey certificates, postage, long distance telephone charges, accounting fees, real estate commissions, advertisements, promotions, insurance premiums and brokerage fees. All expenses to be paid by the Issuer will be approved by the Directors of the Issuer.

Payment of Fees. The Manager shall deliver its Fee Statement to the Company and the Company shall either pay or dispute the Fee Statement within seven (7) days of receipt therein. If the Company disputes the Fee Statement, it shall, within seven (7) days of receipt of the Fee Statement, provide the Manager with a Dispute Statement. In the event that the parties cannot resolve the dispute within fourteen (14) days of receipt by the Manager of the Dispute Statement, then the matter shall be determined by a single arbitrator appointed pursuant to the Commercial Arbitration Act of British Columbia and upon the arbitrator rendering the arbitrator's decision, payment of such arbitrated fee shall be paid by the Company to the Manager forthwith.

The Issuer shall be entitled to receive all fees and other charges with respect to a borrower prepaying any loans owing to the Issuer from such borrower. The Manager may charge administration fees and other charges with respect to the origination and/or setup of loans to borrowers from the Issuer which shall be the sole and absolute property of the Manager.

Item 3 Directors, Management, Promoters and Principal Holders

3.1 *Compensation and Securities Held*

The following table discloses the compensation paid to, and securities held by, each of our six directors, officers and promoters and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of our securities (a "Principal Holder"). Amounts shown for directors may be held directly, through a holding company or registered plan.

Name and municipality of principal residence	**Positions held and the date of obtaining that position**	**Compensation paid by issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year**	**Number, type and percentage of our Securities held after completion of the:**	
			Minimum Offering	**Maximum Offering**
David William Beckingham North Vancouver, B.C.	President and Director	Nil[(1)]	1 Common Share representing 1/11th of the Common Shares issued 654,993 Preferred Shares (9.4%)	1 Common Shares representing 1/11th of the Common Shares issued 622,993 Preferred Shares (3.87%)
William Marc Strongman North Vancouver, B.C.	Secretary/Director	Nil	1 Common Share representing 1/11th of the Common Shares issued 146,154 Preferred Shares (2.1%)	1 Common share representing 1/11th of the Common Shares issued 139,012 Preferred Shares (0.86%)
Peter Malcolm Kains West Vancouver, B.C.	Treasurer/Director	Nil	1 Common Share representing 1/11th of the Common Shares issued 0 Preferred Shares (0%)	1 Common Share representing 1/11th of the Common Share issued 0 Preferred Shares (0%)
William Gerald Strongman North Vancouver, B.C.	Director	Nil	1 Common Share representing 1/11th of the Common Shares issued 349,400 Preferred Shares (5.01%)	1 Common Share representing 1/11th of the Common Shares issued 349,400 Preferred Shares (2.07%)

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of our Securities held after completion of the:	
			Minimum Offering	**Maximum Offering**
Joanne Susan Taylor Thomas Ottawa, ON.	Director	Nil	1 Common Share representing 1/11th of the Common Shares issued 157,333 Preferred Shares (2.26%)	1 Common Share representing 1/11th of the Common Shares issued 157,333 Preferred Shares (0.93%)
Jorian de Vries North Vancouver, B.C.	Director	Nil	1 Common Share representing 1/11th of the Common Shares issued 62,783 Preferred Shares (0.9%)	1 Common Share representing 1/11th of the Common Shares issued 62,783 Preferred Shares (0.37%)

(1) Remunerated by Dundarave Management Ltd. (See 2.8 "Management Agreement")

The Manager may also enter into sub-mortgage management arrangements with other companies which are controlled by one or more of the directors of the Issuer or holders of the Common Shares. In such arrangements, the sub-mortgage broker may be entitled to fees for services rendered. The holders of the Common Shares may also provide other mortgage brokerage or referral services to the Issuer and be paid for such services by either the Issuer or the borrower(s).

3.2 *Management Experience*

The principal occupations of our directors and executive officers over the past five years and any relevant experience in a business similar to the Company are set out in the following table:

Name	Principal occupation and related experience – (*Need updated details)*
David William Beckingham	Mr. Beckingham has been a mortgage broker for over 20 years and is currently the President and CEO of Dominion Lending Centres Commercial Capital Inc., a mortgage brokerage company.
William Marc Strongman	Mr. Strongman has been a real estate investor and developer since 1987 for various private and family owned companies.
Peter Malcolm Kains	Mr. Kains is currently a private real estate investor but in the past has acted as President of Gray Beverage Inc. (Pepsi) for the period 1973 to 1995 and Chairman and CEO of Okanagan Spring Brewery for the period 1995 to 1997.
William Gerald Strongman	Mr. Strongman is currently a private real estate investor but has previously acted as Executive Vice-President of Colour Your World Paint, Chairman of B.C. Rail for the period 1986 to 1991 and a British Columbia M.L.A. for the period 1975 to 1979.

Name	Principal occupation and related experience – (*Need updated details)*
Joanne Susan Taylor Thomas	Ms. Thomas has been a mortgage broker with Dominion Lending Centres Commercial Capital Inc. since 2005. Prior to this, she was a lawyer practicing predominantly in the area of real estate and mortgage transactions.
Jorian de Vries	Mr. de Vries began his mortgage career at a national bank in 2001. Since 2005 he has been mortgage broker. He has extensive experience in owning and managing real estate and is owner of Capital Properties Ltd, a company that invests solely in real estate.

3.3 *Penalties, Sanctions and Bankruptcy*

None of our directors, executive officers or control persons or issuers of which they were a director, executive officer or control person at the time, has been any time during the last 10 years:

(a) subject to any penalty or sanction;

(b) subject to any cease trade order in effect for more than 30 consecutive days; or

(c) the subject of any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy of insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets.

3.4 Loans

We are not indebted to any of our directors, management, promoters and principal holders, nor are any of them indebted to us, for any loans.

Item 4 Capital Structure

4.1 *Share Capital*

The share capital of the Company is as follows:

Description of security	Number authorized to be issued	Price per security	Number outstanding as at the date of this Offering Memorandum	Number outstanding after the:	
				Minimum Offering	Maximum Offering
Common Shares without par value	Ten Million (10,000,000)		Eleven (11)	Eleven (11)	Eleven (11)
Class "A" Redeemable Preferred Shares with a par value of $1.00 per share	One Hundred Million (100,000,000)	$1.00	6,967,277	7,017,277	16,697,277

4.2 *Long Term Debt*

As of the date of this Offering Memorandum, the Company has no long term debt.

4.3 ***Prior Sales***

In the last twelve (12) months, the following Common and Preferred Shares have been issued:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
26-Nov-14	Preferred Shares	400,000	$1.00	$400,000
9-Jan-15	Preferred Shares	10,000	$1.00	$10,000
27-Jan-15	Preferred Shares	30,000	$1.00	$30,000
28-Apr-15	Preferred Shares	324,401	$1.00	$324,401(1)
5-May-15	Preferred Shares	188,589	$1.00	$188,589
12-May-15	Preferred Shares	46,400	$1.00	$46,400
8-Sep-15	Preferred Shares	350,000	$1.00	$350,000
6-Oct-15	Preferred Shares	19,777	$1.00	$19,777
Total	Preferred Shares	1,369,167	$1.00	$1,369,167

(1) Preferred Shares issued by way of share dividend.

Item 5 Securities Offered

5.1 ***Terms of Securities***

The following is a brief summary of certain of these rights and restrictions attached to the Preferred Shares of the Company.

Voting Rights

The holders of the Common Shares without par value are entitled to be at all meetings of shareholders of the Issuer and to one vote in respect of each Common Share held. Except as hereinafter stated, the holders of the Preferred Shares are entitled to attend but not vote at any meetings of the shareholders of the Issuer. No class of shares may be created or issued ranking as to capital or dividends in priority to or on a parity with the Preferred Shares nor shall the authorized number of any class of shares be increased without the approval of the holders of the shares given in the manner provided in paragraph (k) of Part 27 of the Articles of the Company in addition to any other approval required by the British Columbia Business Corporations Act.

Dividend Entitlement

The Preferred Shares are entitled to receive rateably according to the amount paid up thereon all profits available for the payment of dividends. Dividends are payable in cash or in shares, or partly in cash and partly in shares, at the election of the Issuer's shareholders. See also the heading "Dividend Policy".

Retraction and Redemption Rights

The Issuer may redeem all or any part of any class of shares outstanding either by invitation for tenders addressed to all the holders of record of the shares outstanding by private contract at the lowest price at which, in the opinion of the Board of Directors, shares are obtainable. Any such purchase requires the agreement of the shareholders who wish to sell. If upon any invitation for tenders under the provisions of this paragraph, this Issuer shall receive tenders at the same lowest price which the Issuer is willing to pay, in an aggregate number greater than the number for which the Issuer is prepared to accept tenders, the shares so tendered shall be purchased as nearly as may be, pro rata, disregarding fractions according to the number of shares so tendered by each of the holders of shares who submitted tenders at the same lowest price.

The Issuer may also unilaterally redeem from time to time any part of any class of shares at a redemption price equal to the amount paid up plus any declared but unpaid dividends to which the shareholder is entitled. The Issuer is required to give thirty (30) days notice of such redemption.

The holders of Preferred Shares may by giving written notice to the Issuer, request that the Issuer redeem the whole or any part of the shares held by the holder. The notice period is six (6) months. The redemption price for each share will be the amount paid up thereon plus any declared but unpaid dividends to which the holder is entitled.

Entitlement on Liquidation, Dissolution or Winding Up

In the event of a reduction of capital or the liquidation, dissolution or winding-up of the Company or other distribution of property or assets of the Company among its shareholders for the purpose of winding up its affairs:

(a) The holders of Preferred Shares shall be entitled to receive rateably an amount equal to the aggregate amount paid up on the shares held by them respectively. After the holders of the Preferred Shares have received the aggregate amount paid up on the shares held by them respectively, the holders of the Common Shares shall be entitled to receive an amount equal to the aggregate amount paid up on the shares held by them respectively.

(b) After the Company has made the distribution contemplated by paragraph (a), the holders of the Preferred Shares shall be entitled to receive a share of the remaining amount available for distribution. The aggregate amount distributable to all holders of such classes of shares shall be determined by multiplying the amount remaining to be distributed by a fraction of the numerator of which was the amount paid up on issued shares of the particular class and the denominator of which was the amount paid up on the issued shares of both classes prior to the distribution pursuant to paragraph (a).

(c) Any amount to be distributed to holders of any class of shares pursuant to paragraphs (a) and (b) shall be distributed pari passu among all holders of shares of that class.

Constraints on Transferability

Section 130.1(6)(d) of the Income Tax Act stipulates that a Mortgage Investment Corporation may not have fewer than 20 shareholders and no one shareholder may hold more than 25% of the issued shares. The Income Tax Act states that a trust governed by a registered pension plan or a deferred profit sharing plan is counted as four shareholders for purposes of determining the number of shareholders and one shareholder for purposes of determining if a shareholder owns more than 25% of the issued shares. A trust governed by an RRSP is counted as one shareholder. Subscribers are required to affirm their knowledge of these restrictions by executing the subscription agreement attached to this Offering Memorandum as Schedule "A" (the "Subscription Agreement").

5.2 *Subscription Procedure*

This offering is subject to a minimum subscription level which is fifty thousand (50,000) shares in the First Closing.

Certificates for Preferred Shares which have been subscribed for will be issued to the subscribers forthwith upon such subscriptions being accepted by the Company. The proceeds of each subscription of the Offering will be held in trust for two days pending the period during which the purchaser may cancel their subscription. It is intended that the Offering will be made by the Directors and Officers of the Company to purchasers pursuant to the securities laws of the applicable jurisdictions. The Company will be responsible to pay for the costs of the issue. The Company does not intend to pay any selling or promotional expenses in connection with this offering but if any are payable, the Company will be responsible for paying such expenses. Until acceptance by the Company of the subscription, the Company shall have the ability to use the subscription amounts provided to the Company as a loan until acceptance of such subscriptions and the Company shall pay as interest on such subscriptions, amounts equal to the HSBC Bank Canada daily interest savings account commencing seven (7) days after receipt of the cheque for the subscription amount by the Company.

Subscriptions for the Preferred Shares will be accepted subject to rejection or allotment in whole or in part by the Company. The right is reserved to close the subscription books at any time without notice. The right is also reserved to have more than one closing of the subscription books without notice.

Item 6 Canadian Income Tax Consequences and RRSP Eligibility

6.1 Caution

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

6.2 Description of Income Tax Consequences

The following is a summary of the principal Canadian federal income tax consequences arising under the Income Tax Act (Canada) [the “Tax Act”] generally applicable to the acquisition, holding and disposition of one or more Preferred Shares by a Subscriber. Comment is restricted to a prospective Subscriber who at all times for the purposes of the Tax Act holds all Class A Preferred Shares solely as capital property, deals at arm’s length with the Company and is neither a partnership nor a “financial institution” within the meaning of the Tax Act.

This summary is based on the current provisions of the Tax Act including all regulations thereunder and all proposals to amend the Tax Act publicly announced by the Minister of Finance of Canada to the date hereof, and our understanding of the current published assessing practices of the Canada Revenue Agency (“CRA”). It is assumed that all such proposals will be enacted substantially as currently proposed, and that there will be no other material change to any relevant law or practice, although no assurances can be given in these respects. This summary does not take into account possible future changes to any such law or practice, any provincial, territorial or foreign law, nor any treaty to which Canada or any political subdivision thereof is a party.

No application has been made to the CRA for an advance tax ruling or technical interpretation in connection with the Company, an investment in Shares, nor any other event or transaction described in the Offering Memorandum. There is a risk that certain tax consequences in respect of acquiring, holding or disposing of Shares or of any other ancillary matter described in this Offering Memorandum, may be reclassified, challenged or disallowed by the CRA. ACCORDINGLY, EACH PROSPECTIVE SUBSCRIBER SHOULD BASE ANY DECISION TO ACQUIRE SHARES PRIMARILY ON AN APPRAISAL OF THE MERITS OF THE INVESTMENT AS SUCH REGARDLESS OF ANY ASSOCIATED TAX CONSEQUENCES, AND ON THE PROSPECTIVE SUBSCRIBER’S ABILITY TO SUSTAIN ANY LOSS, OR THE DENIAL OF ANTICIPATED TAX CONSEQUENCES, WHICH MAY BE INCURRED OR ARISE IN RELATION TO THE INVESTMENT.

This summary is of a general nature only and is not to be construed as, legal or tax advice to any particular prospective Subscriber. Each prospective Subscriber is urged to obtain independent professional advice as to the legal, tax and other considerations relevant to investing in Shares applicable to the prospective Subscriber's particular circumstances.

Governing Legislation and Policy

The Company is incorporated under the British Columbia Company Act, is subject to applicable legislation in British Columbia and is also subject to special rules under the Tax Act.

Tax Act

The Tax Act imposes certain requirements in order for a company to qualify as a mortgage investment corporation ("MIC") thereunder. These requirements generally will be satisfied if it engages solely in the business of investing its funds, if it neither manages nor develops real property, if at all times it has at least twenty (20) shareholders, if no shareholder holds more than twenty-five percent (25%) of the issued shares of any class of the capital stock of the Company and if none of the property consists of specified types of foreign property.

This summary is based upon the current provisions of the Tax Act and the Regulations thereunder, and all draft legislation and current proposals introduced to the date of this Offering Memorandum.

Scheme of Provisions

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

A MIC is one of these special types of corporations.

Definition of a MIC

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

(i) **Canadian Corporation**

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

(ii) **Undertaking**

The corporation's only undertaking was the "investing of funds of the corporation" and the corporation did not manage or develop any real property.

(iii) **50% Asset Test**

At least 50% of the "cost amount" (as defined in the Tax Act) to the corporation of all of its property must have consisted of the corporation's money, debts owing to the corporation that were secured whether by mortgage or in any other manner on houses (as defined in Section 2 of the National Housing Act) or on property included within a housing project (as defined in that section), and any deposit standing to the corporation's credit in the records of a bank or other specified financial institutions.

(iv) **25% Asset Test**

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

(v) **Prohibited Foreign Investment**

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

(vi) **Shareholder Requirements**

The number of shareholders of the corporation was not less than 20, and no one shareholder owns, directly or indirectly, more than 25% of the issued shares of any class of the capital stock of the corporation.

For the purposes of this requirement, a trust governed by a registered pension plan or a deferred profit sharing plan, by which shares of the capital stock of a corporation are held, is counted as four shareholders of the corporation for the purpose of determining the number of shareholders of the corporation. However, such a trust is counted as only one shareholder for the purpose of determining whether any one shareholder owns, directly or indirectly, more than 25% of the issued shares of any class of the capital stock of the corporation. A trust governed by a registered retirement savings plan is counted as one shareholder.

For the purposes of this requirement, a corporation will be deemed to have complied with this requirement throughout its first taxation year in which it carried on business, if it complied with this requirement on the last day of that taxation year.

For the purpose of the 25% test, a person will be considered to own not only shares which that person actually owns, directly or indirectly through a corporation but also:

(1) any shares owned by persons with whom the person is related;

(2) a proportionate number of shares held by a trust or partnership of which that person is a beneficiary or member; and

(3) any shares held by a registered retirement savings plan of which that person is an annuitant.

Two persons will be considered related if one is the child, grandchild or great grandchild, who is under 18 years of age, of the other or is the spouse or common-law partner of the other. Individuals are also related to a corporation, if the individual controls, is part of a related group which controls or is related to a person or related group which controls the corporation. Two corporations will be related if they are controlled by the same person or group of persons or each is controlled by a person or group of persons where the persons or groups of persons are related in some fashion.

Failure to meet the 25% share ownership limit test described above, would result in the Company losing its status as a mortgage investment corporation, and therefore, subjecting the Company to income tax on its income in the same manner as any other public corporation and resulting in the Shares not being an eligible investment for a registered retirement savings plan. For this reason, the Company may choose to reject requests for share subscriptions made by persons who are related to the Company or to its shareholders.

(vii) **"Common" and "Preferred" Shareholders**

Any holders of preferred shares of the corporation must have the right after payment to them of their dividends, and payment of dividends in a like amount per share to the holders of Common Shares, to participate pari passu with the holders of the Common Shares in any further payment of dividends.

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

(viii) **Debt to Equity Ratio**

The "liabilities" of the corporation (all obligations of the corporation to pay an amount outstanding at that time) at any time in the year must not exceed three times the excess of the "cost amount" to the corporation of all of its property over such liabilities, if at the time in the year the "cost amount" to the corporation of the properties referred to above under subheading (iii) "50% Asset Test" is less than two-thirds of the "cost amount" to the corporation of all of its property. However, where any time in the year the "cost amount" to the corporation of the properties referred to above under subheading (iii) "50% Asset Test" is equal to two-thirds or more of the "cost amount" to the corporation of all of its property, the liabilities of the corporation must not exceed five times the excess of the "cost amount" to the corporation of all of its property over such liabilities.

These restrictions may be summarized as follows:

the borrowing by a corporation is restricted to a maximum of three times its equity capital unless at least two-thirds of the book value of its investments are mortgages secured on Canadian residential property, money, and specified deposits, in which case the maximum borrowing is five time its equity capital.

Taxation of Company

This discussion, and the discussion that follows under subsequent headings, is based on the assumption that the Company qualifies as a MIC under the Tax Act at all relevant times.

A MIC, as a general rule, is subject to tax on the same basis as any public corporation. However, special rules relating to a MIC enable it to reduce its federal taxable income in the year by the amounts of its capital gains arising in the year and its other income in the year it distributes by way of "capital gains dividends" and “taxable dividends”, respectively, during the year or within 90 days after the end of the year. More specifically, the Company is entitled to deduct from its federal taxable income the total of:

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

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

If all of the Company's federal taxable income for the year is distributed in this manner, no federal tax will be payable by the Company for that year. The elimination of provincial tax depends on relevant provincial legislation. For example, in British Columbia no corporate income tax would be payable if the Company's federal taxable income was zero because the Company's British Columbia income tax liability is calculated by reference to its taxable income for federal tax purposes.

Because of the permitted deductions outlined above, the Company is not entitled to the deduction in respect of taxable dividends the Company receives from other taxable Canadian corporations.

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

Taxation of Shareholders

(i) Capital Gains Dividends

A capital gains dividend received by a Canadian resident shareholder is not included as dividend income of the shareholder, but rather is deemed to be a capital gain of the shareholder for the year from "a disposition of capital property".

Thus, with respect to capital gains realized by the Company, the Company serves effectively as a conduit interposed between the investor and the underlying investment. The result is only achieved, however, if the proper capital gains dividends are paid by the Company within the required time, and the proper elections are made by the Company in the proper manner and by the proper time. If the capital gains dividends are not paid in this manner, the capital gains realized by the Company are taxable to the Company as they would be in the case of any public company. Because the Company will have no "capital dividend account", the combined corporate and shareholder tax (when the amounts are paid out to the Investor as taxable dividends) could be significantly greater than if the conduit mechanism was used.

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

Dividends other than capital gains dividends paid by the Company are not included in the income of a shareholder as taxable dividends, but rather are deemed to have been received by the shareholder as interest income payable on a bond issued by the Company after 1971. The "gross-up/dividend tax credit" mechanism provided in the Tax Act does not apply to taxable dividends paid by the Company to Canadian resident individual shareholders. Canadian resident corporate shareholders are not entitled to deduct the amount of a taxable dividend received from the Company in computing taxable income.

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

(iii) Disposition of Shares

Assuming the Shares are capital property to the investor, the usual rules apply on the disposition of those Shares as would apply on shares of any other public corporation. Certain taxpayers, such as securities dealers and those who have acquired the Shares in the course of a business of buying and selling shares or in a transaction that is an "adventure in the nature of trade", would not be considered to be holding the Shares as capital property.

Dispositions to third parties, would yield capital gains or capital losses according to the usual rules contained in the Tax Act. A capital gain (or capital loss) will arise to the extent that the proceeds of disposition of the Shares exceed (or are exceeded by) the adjusted cost base (as defined for income tax purposes) of the shares and any disposition costs.

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

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

(iv) Eligibility for RRSPs and Other Plans

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

Dividends received by such deferred income plans on Shares while the Shares are qualified investments for such plans will be exempt from taxation in accordance with the provisions of the Tax Act governing those plans.

(v) Interest Expense

Except for money borrowed for the purposes of paying a premium or making a contribution to one of the deferred income plan trusts described above, to enable such a trust to hold the

Shares, a reasonable amount of interest paid or payable (pursuant to a legal obligation) by an investor on money borrowed to acquire Shares may be deductible in computing income for purposes of the Tax Act, so long as the Investor continues to own the Shares.

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

(vi) Non-Resident Shareholders

Shareholders who are considered to be non-resident of Canada are subject to the following rule in the Tax Act:

(a) Any taxable dividends paid from the Company to a non-resident shareholder are deemed to have been paid to the shareholder as interest on a bond issued after 1971 and as such, would be subject to Canadian non-resident withholding tax at a maximum rate of 25% of the taxable dividends paid. This rate may be reduced if Canada has ratified a bilateral income tax treaty with the country in which the shareholder is resident.

(b) Any capital gains dividends paid from the Company to a non-resident shareholder should not be subject to Canadian non-resident withholding tax.

(c) Any capital gain realized by a non-resident shareholder from the disposition of Shares of the Company or on the redemption or other acquisition of Shares by the Company (as more fully discussed in "Disposition of Shares" above) will be considered a capital gain from the disposition of "Taxable Canadian Property". As such, subject to exemption from Canadian tax under a bilateral income tax treaty with the country in which the shareholder is resident (a "Treaty Exemption"), the non-resident shareholder will be subject to Canadian income tax on the capital gain realized. Whether claiming a Treaty Exemption or not, the non-resident shareholder will also be required to report the disposition of the Shares on a Canadian income tax return filed with the CRA by the required time as required under the Tax Act.

Item 7 Compensation Paid to Sellers and Finders

There are no agents engaged by the Issuer at the date of this Offering Memorandum. In the event that some of the shares are sold without the assistance of a selling agent, then the total commission will be adjusted accordingly but is not intended to exceed $.03 per share. The commissions will be paid by the Issuer. The Issuer may also pay finder's fees up to a maximum of $.03 per share in compliance with the Securities Act to parties who locate potential subscribers of the Issuer.

Item 8 Risk Factors

Prospective investors should take note of the following:

1. The ability of the Company to achieve income is dependent in part upon the Manager being able to identify and assemble an adequate supply of mortgages. There is no assurance that this will occur.

2. The Company and its shareholders are dependent in large part upon the experience, expertise and good faith of the Manager and its key personnel. The Manager may be entitled to act in a similar capacity for other companies but with different investment policies to that of the Company. However, the Manager is contractually obligated pursuant to the terms of the Management Agreement to manage the affairs of the Company in a proper and adequate fashion.

3. There are potential conflicts of interest to which the Directors and Officers of the Company may be subject in connection with the operations of the Company. These conflicts arise primarily out of the contractual relationship between the Company and the Manager, which is obligated to manage the Company to a certain standard. A conflict may occur at the time the Company and the Manager renegotiate the terms of the Management Agreement.

4. Under the Management Agreement, the Manager has agreed to ensure that the Company's operations are conducted so as to retain its qualification as a mortgage investment corporation under the Income Tax Act (Canada). If for any reason, the Company fails to maintain its qualifications as a mortgage investment corporation under the Income Tax Act (Canada), the dividends paid by the Company on the Class "A" Shares offered will cease to be deductible from the income of the Company as discussed under "Income Tax Considerations". There may also be risk of losing RRSP or TFSA eligibility.

5. As no market for these securities exists or will exist after this Offering, it may be difficult for the purchaser to sell them. These securities are however, redeemable at the option of the holder under certain circumstances.

6. The normal gross-up and dividend tax credit rules do not apply to dividends paid on the Company's shares. See the heading "Income Tax Consequences".

7. The profitability of the Company will be dependent on both general and local economic conditions and will be affected by fluctuations in the rate of economic growth and the rate of expansion of the real estate market in the target areas.

8. The Company will concentrate its lending activities in the provinces of Alberta and British Columbia, however, the Company may act as mortgage lender in other areas and jurisdictions.

9. There are certain risks inherent in mortgage lending over which neither the Company nor the Manager has any control. These risks include abnormal significant fluctuations in interest rates, the general state of the economy, concentration of mortgages on properties which are in one geographic location and changing real estate values.

10. The Issuer, like most mortgage investment corporations, lend to persons who often do not meet financing criteria for conventional mortgages from institutional sources. The reason the Issuer receives interest at rates higher than that charges by many financial institutions is due to the risk profile of the borrowers.

Item 9 Reporting Obligations

9.1 *Continuous Reporting Obligations to the Purchaser*

The Company intends to provide an annual report to all of its shareholders within a period of 120 days from the end of each fiscal year. The report shall set out a discussion and analysis of operations and results for the fiscal period in question together with audited financial statements prepared by the Company's auditors consisting of a balance sheet, income statement and statement of changes in financial position. These financial statements shall be prepared in accordance with generally accepted accounting principles.

9.2 Access to Information about Us

Since our Preferred Shares are not publicly traded no corporate or securities information is available from a government, regulatory authority, stock exchange or quotation and trade reporting system. However, information is available on our website www.dmic.ca or from us at the phone and fax numbers and e-mail address set out on the front cover.

Item 10 Resale Restrictions

10.1 *Overview*

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.

10.2 *Description of Restricted Period*

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

Item 11 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.

11.1 *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.

11.2 *Statutory Rights of Action in the Event of a Misrepresentation*

If there is a misrepresentation in his Offering Memorandum, you have a statutory right to sue

(a) the Company to cancel your agreement to buy these securities, or

(b) the Company, and every person who was a director at the date of this Offering Memorandum and every signatory to this Offering Memorandum, for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Preferred Shares as a result of the misrepresentation.

Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Preferred Shares were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

(a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Alberta the above defence does not relieve a person of liability respecting forward-looking information in a financial statement.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the issuance to you of the Preferred Shares. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after the issuance to you of the Preferred Shares.

Item 12 Financial Statements

The following are our audited financial statements for our last completed financial year and interim financial statements for the period ended July 31, 2015.

CERTIFICATE

Date: October 31, 2015

This Offering Memorandum contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

DUNDARAVE MORTGAGE INVESTMENT CORPORATION

"David William Beckingham"

David William Beckingham – Director

"*William Marc Strongman"*

William Marc Strongman - Director

"Peter Malcolm Kains"

Peter Malcolm Kains - Director

"William Gerald Strongman"

William Gerald Strongman - Director

"*Joanne Susan Taylor Thomas"*

Joanne Susan Taylor Thomas - Director

"*Jorian de Vries"*

Jorian de Vries - Director

Dundarave Mortgage Investment Corporation

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Independent Auditor's Report

To the Shareholders of
Dundarave Mortgage Investment Corporation

Report on the Financial Statements
We have audited the accompanying financial statements of Dundarave Mortgage Investment Corporation, which comprise the statements of financial position as at January 31, 2015, and 2014, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended January 31, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Dundarave Mortgage Investment Corporation as at January 31, 2015, and 2014 and its financial performance and its cash flows for the years ended January 31, 2015 and 2014 in accordance with International Financial Reporting Standards.

Crowe MacKay LLP

Vancouver, Canada
October 5, 2015

Chartered Professional Accountants

Dundarave Mortgage Investment Corporation

Statements of Operations and Comprehensive Loss

Year ended January 31,		2015		2014
Interest income	$	**641,088**	$	584,524
Expenses				
Accounting and legal		**23,589**		46,094
Amortization of intangible asset		**-**		356
Interest and bank charges		**647**		5,362
Licenses and permits		**826**		49
Management fees (notes 7 and 12)		**124,745**		110,921
		149,807		162,782
Income before other item and income taxes		**491,281**		421,742
Other item				
Dividends declared on preferred shares (note 10)		**(512,229)**		(490,619)
Loss before income taxes		**(20,948)**		(68,877)
Income tax recovery (note 11)		**(8,259)**		(25,900)
Net loss and comprehensive loss	$	**(12,689)**	$	(42,977)
Earnings per share (note 3)	$	**0.07**	$	0.08

The accompanying notes are an integral part of these financial statements.

Dundarave Mortgage Investment Corporation

Statements of Changes in Shareholders' Equity

Year ended January 31,	**2015**		2014	
	Number of shares	**Amount**	Number of shares	Amount
Common Shares (note 9)				
Authorized: 10,000,000 Common shares, voting, participating, without par value				
Balance, beginning and end of year	**11**	**$ 11**	11	$ 11
Retained Earnings				
Balance, beginning of year		**11,164**		54,141
Net loss and comprehensive loss		**(12,689)**		(42,977)
Balance, end of year		**(1,525)**		11,164
Total Equity		**$ (1,514)**		$ 11,175

The accompanying notes are an integral part of these financial statements.

Dundarave Mortgage Investment Corporation

Statements of Financial Position

January 31,		**2015**		2014
Assets				
Current				
Cash	**$**	**1,290,445**	$	1,123,017
Accounts receivable		**-**		5,893
Income taxes receivable		**7,960**		25,900
Interest receivable		**210,530**		106,786
Mortgages receivable (note 5)		**5,344,000**		5,622,667
Total Assets	**$**	**6,852,935**	$	6,884,263
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**17,380**	$	15,280
Dividends payable (note 6)		**375,898**		375,736
Due to related party (note 7)		**25,983**		29,756
		419,261		420,772
Preferred shares (note 8)		**6,435,188**		6,452,316
		6,854,449		6,873,088
Shareholders' equity				
Common shares (note 9)		**11**		11
Retained earnings (deficit)		**(1,525)**		11,164
		(1,514)		11,175
Total Equity and Liabilities	**$**	**6,852,935**	$	6,884,263

Subsequent event (note 13)
Commitments (note 14)

The financial statements were approved on October 5, 2015.

Approved on behalf of the board:

"Joanne Thomas" Director ***"David Beckingham"*** Director

The accompanying notes are an integral part of these financial statements.

Dundarave Mortgage Investment Corporation

Statements of Cash Flows

Year ended January 31,		2015		2014
Cash provided by (used for)				
Operating activities				
Net loss	**$**	**(12,689)**	$	(42,977)
Items not affecting cash				
Amortization of intangible asset		**-**		356
Non-cash dividends on preferred shares		**325,308**		341,929
		312,619		299,308
Change in non-cash working capital items				
Interest receivable		**(103,744)**		223,202
Accounts receivable		**5,893**		(5,893)
Accounts payable and accrued liabilities		**2,100**		-
Income taxes payable		**17,940**		(41,769)
Cash dividends payable (note 6)		**16,783**		3,078
		251,591		477,926
Financing activities				
Due to related party		**(3,773)**		(1,583)
Redemption of preferred shares		**(1,271,534)**		(155,000)
Share subscriptions		**-**		18,133
Issuance of preferred shares		**912,477**		948,162
Preferred shares to be issued		**-**		(11,200)
		(362,830)		798,512
Investing activities				
Mortgage advances		**(1,048,000)**		(2,581,756)
Mortgage repayments		**1,326,667**		2,055,396
		278,667		(526,360)
Increase in cash		**167,428**		750,078
Cash, beginning of year		**1,123,017**		372,939
Cash, end of year	**$**	**1,290,445**	$	1,123,017

Supplemental cash flow information

The Company had the following cash transactions:				
Dividends paid	**$**	**169,490**	$	143,144

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

Dundarave Mortgage Investment Corporation (“the Company”) was incorporated on July 10, 2008 under the Business Corporations Act. Business operations commenced effective February 1, 2009. The Company operates as a mortgage investment corporation as defined in the Canadian Income Tax Act. Its business is to obtain stable sources of income by investing in a diverse portfolio of mortgages.

The address of the Company’s corporate office and principal place of business is 1885 Marine Drive, North Vancouver, BC, V7P 1V5.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the years ended January 31, 2015 and 2014.

(b) Basis of Measurement

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

The financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Revenue recognition

The Company's main source of revenue is interest from its mortgages. Revenue is accrued as it is earned and when collection is reasonably assured.

3. Significant accounting policies (continued)

(b) Preferred shares

Preferred shares have been classified as a liability because they are retractable at the option of the holder. Share issue costs related to the preferred shares are expensed in the year incurred. Dividends paid on the preferred shares are recorded in the statement of income as an expense.

(c) Income Taxes

Taxable dividends paid by the Company during the year or within ninety days following the year-end are deductible for income tax purposes.

Income taxes are accounted for using the deferred income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and deferred income taxes are recognized for temporary differences between tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are more likely than not to be realized.

Deferred income tax assets and liabilities are measured using tax rates expected to be recovered or settled.

(d) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. The significant area requiring the use of management estimates are disclosed in note 4. Actual results could differ from those estimates.

(e) Earnings per share

Quarterly dividends are paid based on the outstanding number of shares of preferred shares at the end of the quarter. Earnings per share is calculated based on net income after tax, but before dividends declared on preferred shares and the weighted average number of preferred and common shares outstanding during the year.

(f) Financial Instruments

Non-derivative financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”). The Company has not classified any financial assets as held-to-maturity, available-for-sale, or FVTPL.

3. Significant accounting policies (continued)

(f) Financial Instruments (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company's cash, accounts receivable, interest receivable, and mortgages receivable are classified as loans and receivables.

i. Mortgages receivable

Mortgages receivable are carried at the unpaid principal amount plus capitalized charges less allowances for mortgage losses. The Company writes down mortgages to their estimated recoverable value based on a current evaluation of the security held when full recovery is considered in doubt.

Mortgages receivable are classified as loans and receivables, and are recorded at amortized cost. Interest on mortgage loans is recorded on the accrual basis except when a loan is considered to be impaired. Interest income on impaired loans is recognized on a cash basis but only after any specific provision for impairment or partial write-off has been recovered, and provided there is no further doubt as to the collectability of the principal amount. The Company classifies a mortgage loan as impaired when, in the opinion of management, there is reasonable doubt as to the collectability, either in whole or in part, of principal or interest.

ii. Allowance for mortgage losses

The Company maintains an allowance for mortgage losses that reduces the carrying value of mortgages identified as impaired to their estimated realizable amounts. Estimated realizable amounts are determined by reference to loan collection experience, the present value of expected future cash flows, or by the estimated net present value of security underlying the mortgages and deducting costs of realization.

Specific allowances are established for individual mortgages identified as impaired. These allowances are supplemented by general allowances for losses on mortgage loans based on payment arrears, known risks in the portfolio, historical mortgage loss experience, and current economic conditions and trends.

3. Significant accounting policies (continued)

(f) Financial Instruments (continued)

Non-derivative financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, dividends payable, and due to related party are classified as other financial liabilities. Preferred shares have been classified as a liability because they are retractable at the option of the holder, and have been classified as other financial liabilities.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and mortgages receivable. The Company limits its exposure to credit loss by placing its cash with major financial institutions. All of the mortgages receivable have a fixed interest rate and mature within 12 months. The fixed interest rates range from 9% to 16% per annum. Credit risk is inherent in this industry, however, the Company carefully monitors the loan portfolio to ensure credit risk and concentrations of risk are minimized. The risk is managed by the Company's overall risk management framework, including monitoring credit exposures, obtaining appropriate security, conducting third party appraisals of the security obtained, and assessing the credit worthiness of counterparties, prior to committing to the investment. The Company's Board of Directors must approve each loan prior to funding.

As at January 31, 2015, the mortgages receivable consists of 47% (2014 - 46%) residential and 53% (2014 - 54%) commercial properties which are 100% (2014 – 100%) located in British Columbia. As at January 31, 2015, 5 (2014 - 2) loans with total outstanding principal of $3,346,000 (2014 - $1,560,000) are past their maturity date and have been extended on a month to month basis. Management has determined that no loss provision is required on the loans. As at January 31, 2015, $2,644,000 (2014 - $3,122,667) is associated with mortgages that have first charge on the security, $1,200,000 (2014 - $700,000) of the principal outstanding is associated with mortgages that have second charge on the security, $1,500,000 (2014 – $1,800,000) is associated with mortgages that have a blend of first and second charges on the securities. Also as at January 31, 2015, mortgages receivable from 4 borrowers comprised approximately 78% of the total outstanding mortgages receivable (2014 – 5 borrowers and 90%).

3. Significant accounting policies (continued)

(f) Financial Instruments (continued)

Liquidity risk

All of the Company's financial liabilities, with the exception of preferred shares which are classified as long-term, are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

(g) Capital disclosures

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable capital structure appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of equity attributable to common and preferred shareholders, comprised of issued capital. The Company does not have any externally imposed restrictions on capital.

(h) New accounting standards and interpretations

The International Accounting Standards Board continually issues new and amended standards and interpretations. Certain pronouncements were issued by the IASB or the IFRS interpretations Committee that are mandatory for accounting periods beginning January 1, 2014 or later periods.

There were no new or amended standards which the Company adopted during the year.

The following is a brief summary of the new and amended standards and interpretations which are not yet in effect. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements.

3. Significant accounting policies (continued)

(h) New accounting standards and interpretations (continued)

IFRS 9 – 'Financial Instruments'
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value.

To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

This standard is effective for periods beginning on or after January 1, 2018.

4. Critical Accounting Estimates and Judgments

Mortgage investment companies make estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Information about critical estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(a) Critical Accounting Judgments
Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The determination by management as to whether a loan is impaired has been identified as a critical judgment.

(b) Critical Accounting Estimates
Allowances for mortgages receivable are created based on the Company's estimates. Assumptions are based on the current economic environment. Estimates and assumptions made may change if new information becomes available. If information becomes available that the recovery of the mortgage is unlikely, the amount is written off in the profit or loss in the period the new information becomes available.

5. Mortgages receivable

		January 31, 2015		January 31, 2014
Residential mortgages	**$**	**2,508,000**	$	2,586,667
Commercial mortgages		**2,836,000**		3,036,000
		5,344,000		5,622,667
Less current portion		**5,344,000**		5,622,667
	$	**-**	$	-

The current portion of mortgage receivable designates the loans which are scheduled to mature within the next twelve month period.

Two loans (2014 - one loan) with total balances outstanding of $2,400,000 (2014 - $1,500,000) were non-performing at year end. Subsequent to year end, one loan (2014 – one loan) with balance outstanding of $448,000 (2014 – 900,000) became non-performing.

6. Dividends payable

		January 31, 2015		January 31, 2014
Cash dividends	**$**	**50,590**	$	33,807
Reinvested shares		**325,308**		341,929
	$	**375,898**	$	375,736

7. Related party transactions

(a) Transactions

		January 31, 2015		January 31, 2014
Management fees	**$**	**124,745**	$	110,921

The management fees are paid to the fund manager, a Company controlled by the directors, and are in accordance with management agreement discussed in note 12. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

7. Related party transactions (continued)

(b) Related party balance

		January 31, 2015		January 31, 2014
Due to Dundarave Management Ltd.	**$**	**25,983**	$	29,756

Amounts due to Dundarave Management Ltd. are non-interest bearing and have no specific terms of repayment.

During the year, Dundarave Management Ltd. acquired 75,000 (2014 – 200,000) preferred shares of the Company for $75,000 (2014 - $200,000).

8. Preferred shares

Authorized

100,000,000 Class "A" redeemable preferred shares with a par value of $1.00.

	January 31, 2015		January 31, 2014	
	Issued	**Amount**	Issued	Amount
Issued				
Class A preferred shares				
Balance beginning of year	**6,452,316**	**$ 6,452,316**	5,395,053	$ 5,395,053
Issued for cash	**912,477**	**912,477**	948,162	948,162
Issued as stock dividend	**341,929**	**341,929**	264,101	264,101
Redeemed	**(1,271,534)**	**(1,271,534)**	(155,000)	(155,000)
Balance, end of year	**6,435,188**	**$ 6,435,188**	6,452,316	$ 6,452,316

Preferred shares are redeemable by the Company at the lowest price at which, in the opinion of the Board of Directors, shares are obtainable. Any such purchase requires the agreement of the shareholders who wish to sell. The Company may also unilaterally redeem any part of any class of shares at a redemption price equal to the amount paid up plus any declared but unpaid dividends which the shareholder is entitled. The holders of the preferred shares may redeem their shares with six months notice, for the purchase price plus any declared but unpaid dividends to which the holder is entitled.

8. Preferred shares (continued)

The Board of Directors of the Company may in their sole discretion refuse to issue, redeem or transfer shares if as a result of such redemption the Company would cease to qualify as a "mortgage investment corporation" as defined in the Tax Act.

In the event of liquidation, dissolution or wind-up of the Company, the distribution of the assets of the Company shall be made first to the holders of preferred shares and the balance to the holders of common shares.

9. Common shares

Common shares are redeemable by the Company at the lowest price at which, in the opinion of the Board of Directors, shares are obtainable. Any such purchase requires the agreement of the shareholders who wish to sell. The Company may also unilaterally redeem any part of any class of shares at a redemption price equal to the amount paid up plus any declared but unpaid dividends which the shareholder is entitled.

10. Income distribution

The Preferred Shares are entitled to receive ratably, according to the amount paid up thereon, all profits available for the payment of dividends. Dividends are payable in cash or in shares, or partly in cash and partly in shares, at the election of the shareholder.

The dividends paid on preferred shares in 2015 and 2014 were $512,229 ($0.08 per share) and $490,619 ($0.09 per share) respectively.

11. Income Taxes

Under the terms of the Canadian Income Tax Act, for each year that the Company qualifies as a mortgage investment Company, no income taxes will be payable on net earnings from which dividends will be paid. Income in excess of allowable deductible reserves under the Act which is not distributed to shareholders within ninety days of the fiscal year-end will be subject to corporate taxation. The current year net loss (2014 – net loss) in excess of deductible distributions to shareholders resulted in income tax recovery of $8,259 (2014 – recovery of $25,900) due to losses of the current year carried back to previous year for tax purposes.

12. Management agreement

On July 10, 2008, the Company entered into a management contract with Dundarave Management Ltd. ("Manager"), a company controlled by two directors of the Company. The Company has engaged the Manager to provide financial and administrative services. For services rendered under the management contract, the Company pays the Manager a fee equal to two percent (2%) of the yearly outstanding balance of the mortgages receivable, calculated monthly. The monthly fee is to be paid by the Company to the Manager on or before the 15th day of the following month. Management fees of $124,745 (2014 - $110,921) were paid during the fiscal year.

The management contract has no fixed term.

13. Subsequent event

Subsequent to year end, the Company redeemed 199,357 shares for $199,357. In addition, the company issued 720,801 shares of which 395,493 were for $395,493 cash and the remaining 325,308 were DRIP.

14. Commitments

As at year end, the balance of mortgages the Company has committed to funding which have not yet been advanced totaled $700,000 (2014 - $nil). Subsequent to year end, this balance has been advanced.

Dundarave Mortgage Investment Corporation
Balance Sheet
As of July 31, 2015

		Jul 31, 15
ASSETS		
Current Assets		
Chequing/Savings		
1000 · HSBC		21,978.61
1001 · TD Canada Trust - General Acct.		1,155,944.67
1002 · TD Canada Trust - Trust Acct.		56.55
Total Chequing/Savings		1,177,979.83
Accounts Receivable		
11000 · Accounts Receivable		352,550.76
Total Accounts Receivable		352,550.76
Other Current Assets		
1110 · Mortgages Receivable		
1115 · Letters of Credit	5,000.00	
1110 · Mortgages Receivable - Other	5,491,785.30	
Total 1110 · Mortgages Receivable		5,496,785.30
12000 · Undeposited Funds		3,368.75
1300 · Letter of credit payable		-47,150.00
1301 · Letters of credit receivable		134,125.00
Total Other Current Assets		5,587,129.05
Total Current Assets		7,117,659.64
Other Assets		
1205 · Due to/from DML		-26,904.66
18000 · Offering Memorandum Costs		
18500 · accum amort	-10,066.73	
18000 · Offering Memorandum Costs - Other	10,066.73	
Total 18000 · Offering Memorandum Costs		0.00
Total Other Assets		-26,904.66
TOTAL ASSETS		**7,090,754.98**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable		30,342.10
Total Accounts Payable		30,342.10
Other Current Liabilities		
2001 · INTEREST RESERVE		
2002 · UN-EARNED REVENUE	89,374.73	
Total 2001 · INTEREST RESERVE		89,374.73
20100 · Accrued Liabilities		15,280.00
2011 · CORPORATE TAX PAYABLE		299.27
25500 · GST/HST Payable		-3,341.75
Total Other Current Liabilities		101,612.25
Total Current Liabilities		131,954.35
Total Liabilities		131,954.35
Equity		
30000 · Opening Bal Equity		-5.01
30100 · Capital Stock		
30110 · Common Shares	11.00	
30120 · Class 'A' Preferred Shares	6,496,962.68	

Dundarave Mortgage Investment Corporation
Balance Sheet
As of July 31, 2015

	Jul 31, 15
Total 30100 · Capital Stock	6,496,973.68
30200 · Dividends Paid	-78,574.45
30220 · Share capital to be issued	-3,751.78
32000 · Retained Earnings	196,658.39
Net Income	347,499.80
Total Equity	6,958,800.63
TOTAL LIABILITIES & EQUITY	**7,090,754.98**

Dundarave Mortgage Investment Corporation
Profit & Loss
February through July 2015

	Feb - Jul 15
Ordinary Income/Expense	
Income	
4000 · Mortgage Interest Income	373,236.51
4005 · Returned Cheque Charges	3,250.00
4010 · Bank Interest	1,535.35
4015 · Other income and fees charged	35,000.00
48700 · Services Income	1,500.00
Total Income	414,521.86
Gross Profit	414,521.86
Expense	
5010 · Management Fees	51,484.95
60400 · Bank Service Charges	169.30
61000 · Business Licenses and Permits	267.81
66700 · Professional Fees	15,100.00
Total Expense	67,022.06
Net Ordinary Income	347,499.80
Net Income	**347,499.80**