

Form 45-106F6
British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

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

Issuer: Modasuite Inc.

727A Champagneur Avenue
Outremont, QC H2V 3P9

Tel. 1-866-913-2501

Email: hratnani@modasuite.com

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

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

N/A

Item 2: Reporting issuer status

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

The issuer is not a reporting issuer.

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

N/A

Item 3: Issuer's industry

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

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | Mining |
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input checked="" type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Other (describe) |

Item 4: Insiders and promoters of non-reporting issuers

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

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

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Yifeng Song Montreal, Quebec Canada	President, Director; holder of more than 10% of voting securities	869 Series C-1 Preferred Shares 7,895 Series A Preferred Shares, 1,256,598 Common Shares ¹ and 313,655 Options under Modasuite Inc.'s Stock option plan	\$150,793.31

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Hicham Ratnani Montreal, Quebec Canada	Vice President, Secretary, Treasurer, Director; holder of more than 10% of voting securities	869 Series C-1 Preferred Shares 7,895 Series A Preferred Shares, 1,255,788 Common Shares ² and 313,655 Options under Modasuite Inc.'s Stock option plan	\$151,198.31
Chi-Hua Chien Los Altos Hills, California United States	Holder of more than 10% of voting securities	112,930 Series C-1 Preferred Shares 1,485,095 Series C Preferred Shares ³	\$7,977,196.49
Eric Kim Los Altos Hills, California United States	Holder of more than 10% of voting securities	1,485,095 Series C Preferred Shares ³	\$7,112,953.18
John Stokes Montreal, Quebec Canada	Director and holder of more than 10% of voting securities	61,512 Series C-1 Preferred Shares 292,296 Series B Preferred Shares, 375,794 Series A-1 Preferred Shares, 300,863 Series A Preferred Shares and 135,378 Series C Preferred Shares ⁴	\$2,445,208.75
Alan MacIntosh Montreal, Quebec Canada	Holder of more than 10% of voting securities	61,512 Series C-1 Preferred Shares 292,296 Series B Preferred Shares, 375,794 Series A-1 Preferred Shares, 300,863 Series A Preferred Shares and 135,378 Series C Preferred Shares ⁵	\$2,445,208.75
Jean Sebastien Cournoyer Montreal, Quebec Canada	Holder of more than 10% of voting securities	61,512 Series C-1 Preferred Shares 292,296 Series B Preferred Shares, 375,794 Series A-1 Preferred Shares, 300,863 Series A Preferred Shares and 135,378 Series C Preferred	\$2,445,208.75

		Shares	
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Note 1: 1,143,824 Common Shares are owned by 8611157 Canada Inc., of which, Yifeng Song is an officer and director.

Note 2: 1,143,824 Common Shares are owned by 8611157 Canada Inc., of which, Hicham Ratnani is an officer and director.

Note 3: 1,485,095 Series C Preferred Shares are owned by Goodwater Capital I, LP, of which Chi-Hua Chien Eric Kim are Managing Partners.

Note 4: 61,512 Series C-1 Preferred Shares, 292,296 Series B Preferred Shares, 375,794 Series A-1 Preferred Shares, 300,863 Series A Preferred and 135,378 Series C Preferred Shares are owned by Real Investment Fund, L.P., of which, John Stokes is an officer.

Note 5: 61,512 Series C-1 Preferred Shares, 292,296 Series B Preferred Shares, 375,794 Series A-1 Preferred Shares, 300,863 Series A Preferred and 135,378 Series C Preferred Shares are owned by Real Investment Fund, L.P., of which, Alan MacIntosh is an officer.

Note 6: 61,512 Series C-1 Preferred Shares, 292,296 Series B Preferred Shares, 375,794 Series A-1 Preferred Shares, 300,863 Series A Preferred and 135,378 Series C Preferred Shares are owned by Real Investment Fund, L.P., of which, Jean Sebastien Courmoyer is an officer.

Details of distribution,

Item 5: Distribution date

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

- August 25, 2015

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

Series C-1 Preferred Shares

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

868,689 Series C-1 Preferred Shares (the “**Preferred Shares**”) were issued pursuant to a Series C-1 Preferred Share Purchase Agreement dated as of August 25, 2015.

The Preferred Shares convert at any time, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into Common Shares.

The Preferred Shares convert automatically into Common Shares upon either (a) the closing of the sale of Common Shares to the public in a firm-commitment underwritten

public offering that results in a Qualified IPO (as defined in the Issuer's Articles of Amendment) or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a Preferred Majority (as defined in the Issuer's Articles of Amendment), including: (x) the holders of a majority of the outstanding Series C Preferred Shares, and (y) the holders of a majority of the outstanding Series C-1 Preferred Shares.

- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

N/A

Item 7: Geographical information about purchasers

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

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ^{1,2}	Total dollar value raised from purchasers in the jurisdiction (Canadian \$) ²
Quebec	7	\$7.6374 per Series C-1 Preferred Share	\$2,925,111.16
British Columbia	1	\$7.6374 per Series C-1 Preferred Share	\$2,326,798.92
USA	4	\$7.6374 per Series C-1 Preferred Share	\$1,396,090.06
Total Number of Purchasers:	12		
Total dollar value of distributions in all jurisdictions (Canadian \$)²			\$6,648,000.14

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

Note 2 Based on US\$ to CDN\$ exchange rate of 1:1.3296 on August 25, 2015.

Item 8: Information about purchasers

Instructions

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

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

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

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

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

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ¹	Exemption relied on	Date of distribution (yyyy-mm-dd)
Innovation Group Investors, L.P. 600 West Chicago Avenue, Suite #700 Chicago, IL 60654 Tel: (415) 347-1403	I	26,061 Series C-1 Preferred Shares	\$199,442.53	NI 45-106 Section 2.3	2015-08-25
RHO Canada Ventures II, L.P. 1800 McGill College Avenue Suite 840 Montreal, Quebec H3A 3J6 Tel: (514) 844-5605		53,331 Series C-1 Preferred Shares	\$408,133.72	NI 45-106 Section 2.3	2015-08-25

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ¹	Exemption relied on	Date of distribution (yyyy-mm-dd)
RHO Investment Partners Canada II, L.P. 1800 McGill College Avenue Suite 840 Montreal, Quebec H3A 3J6 Tel: (514) 844-5605		3,134 Series C-1 Preferred Shares	\$23,987.94	NI 45-106 Section 2.3	2015-08-25
Goodwater Capital I, LP 12362 Priscilla Lane Los Altos Hills, CA 94022 Attn: Chi-Hua Chien Tel: (415) 694-0686	I	112,930 Series C-1 Preferred Shares	\$864,243.31	NI 45-106 Section 2.3	2015-08-25
Investissement Quebec 600, rue de La Gauchetière Ouest, bureau 1500 Montréal (Québec) H2Y 1N9 Attn: Lilia Pouliot Tel: 514 873-4664		260,607 Series C-1 Preferred Shares	\$1,994,402.35	NI 45-106 Section 2.3	2015-08-25
Real Investment Fund, L.P. 51 Sherbrooke Street West, Montreal, Quebec, H2X 1X2 Tel: (514) 513-1814	I	61,036 Series C-1 Preferred Shares	\$467,102.89	NI 45-106 Section 2.3	2015-08-25
Real Investment Fund (International) L.P. 51 Sherbrooke Street West, Montreal, Quebec, H2X 1X2 Tel: (514) 513-1814		2,378 Series C-1 Preferred Shares	\$18,198.82	NI 45-106 Section 2.3	2015-08-25

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ¹	Exemption relied on	Date of distribution (yyyy-mm-dd)
<p>Bertelsmann Digital Media Investments S.A.</p> <p>1745 Broadway, New York, NY, USA, 10019</p> <p>Tel: Not available</p>		34,748 Series C-1 Preferred Shares	\$265,923.38	NI 45-106 Section 2.3	2015-08-25
<p>Campfire Capital Limited Partnership</p> <p>3763 Dollarton highway North Vancouver, V7G 1A1</p> <p>Tel: Not available</p>		304,041 Series C-1 Preferred Shares	\$2,326,798.92	NI 45-106 Section 2.3	2015-08-25
<p>Parkwood Consolidated X LLC</p> <p>101 Mission Street, Suite 1630, San Francisco, CA 94105</p> <p>Tel: (415) 805-8922</p>		8,687 Series C-1 Preferred Shares	\$66,480.84	NI 45-106 Section 2.3	2015-08-25

Note 1: Based on US\$ to CDN\$ exchange rate of 1:1.3296 on August 25, 2015.

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

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

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

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
N/A						

Certificate

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

Date: September 4, 2015

Modasuite Inc.

Name of Issuer (please print)

Emma Wilking, Legal Counsel, (613) 599-9600 ext. 253

Print name, title and telephone number of person signing

/s/ "Emma Wilkin"

Signature

Instruction

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

Item 10: Contact information

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