OFFERING MEMORANDUM

Date: **January 15, 2019**

The Issuer

Name:		**BLUE PEARL MORTGAGE INVESTMENT CORP.**
Head office:	Address:	**Unit 200, 5570 – 152nd Street, Surrey, British Columbia V3S 5J9**
	Phone:	**1-800-288-2764 or 604-372-2764**
	E-mail:	**info@ bluepearlmortgage.ca**
	Fax:	**1-800-598-2764**
Website:		**www. bluepearlmortgage.ca**

Currently listed or quoted?....... **No. These securities do not trade on any exchange or market.**
Reporting issuer?....................... **No**
SEDAR filer?............................. **No**

The Offering

Securities offered:	**Class A Non-voting Participating (redeemable) Shares, Series 1**
Price per security:	**$1.00 per Share**
Minimum offering:	**There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Maximum offering:	**$9,000,000 (9,000,000 Shares)**
Minimum subscription amount:	**$10,000 (10,000 Shares)** or, for first time investors: **$25,000 (25,000 Shares)**
Payment terms:	**The subscription price for Shares being purchased is payable in full by the applicable closing date.** See Item 5.2 "Subscription Procedure".
Proposed closing date(s):	**February 14, 2019 and the first business day of each month thereafter (and possibly other days within each month) until the earlier of January 28, 2020 and the issuance of our 2019 annual financial statements.** If we do not require the funds, we may not have one or more of these closings.
Income tax consequences:	**There are important tax consequences to these securities. See Item 6 "Income Tax Consequences and Registered Plan Eligibility".**

Selling agent?............................. **No**

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

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

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Item 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The funds that will be available to us from the offering, together with the funds estimated to be available from other sources, are set out in the following table.

		Assuming	
	Description	**Minimum Offering**	**Maximum Offering**
A	Amount to be raised by this offering	$ 25,000	$ 9,000,000
B	Selling commissions and fees (1)	0	0
C	Estimated offering costs (e.g. legal, accounting and audit)	$ 50,000	$ 50,000
D	**Available funds: D = A - (B + C)**	**$ <25,000>**	**$ 8,950,000**
E	Additional sources of funding required (available)	0	0
F	Working capital (or deficiency) (3)	0	0
G	**Total: G = (D + E) – F**	**$ <25,000>**	**$ 8,950, ,000**

(1) We do not intend to pay commissions on the sale of Shares until after February 14, 2019 when, due to a change in applicable laws, we will be required to use an Exempt Market Dealer to sell Shares. See Item 7 "Compensation Paid to Sellers and Finders".

(2) We do not have, as at the date of this Offering Memorandum, nor do we expect to have significant working capital (as substantially all of our cash on hand will be loaned to borrowers) or a working capital deficiency.

1.2 Use of Available Funds

We intend to use the funds available to us from the offering and from other sources, as estimated in Item 1.1 "Funds", as set out in the following table.

Description of Intended Use of Available Funds (Listed in order of priority)	Assuming	
	Minimum Offering	**Maximum Offering**
Investment in residential, commercial, development and bare land mortgages secured by real estate property located in Canada	$ 0	$ 8,950,000
TOTALS (1)	**$ 0**	**$ 8,950, 000**

(1) We expect that our revenue from operations will be sufficient to cover our operating costs.

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2 – OUR BUSINESS

2.1 Structure

We were incorporated as a company under the *Business Corporations Act* (British Columbia) on September 21, 2017.

2.2 Description of Our Business

Overview

We are a "mortgage investment corporation" (a "**MIC**"). Our business is making loans secured by mortgages on real estate in Canada. Initially, our borrowers will be located in British Columbia, although we may expand our lending to other provinces as we develop our business.

As a MIC, we will make a diversified range of real estate backed loans, principally residential loans supplemented by a small number of other real estate (commercial, development and bare land) loans, all secured by first and second mortgages, and a very small number of third mortgages, on real estate properties. We earn most of our income from the interest paid pursuant to these mortgages along with renewal fees, pre-payment penalties, performance bonuses and other fees and charges related to such mortgages. Additional income may be earned from short term rental of properties we acquire from foreclosures under mortgages held by us and any capital gains when such properties are sold.

We provide mortgage financing to borrowers whose applications do not necessarily fall within the lending and investing guidelines of conventional lenders. As a result of the additional risk, due diligence and administration associated with these mortgages, we charge a rate of interest that is higher than conventional lenders. If borrowers default under their mortgage loans, we intend to work through the foreclosure process with the goal of minimizing any significant losses.

We are registered (licenced) as a mortgage broker in British Columbia. The Office of the Registrar of Mortgage Brokers at the [British Columbia] Financial Institutions Commission regulates the mortgage brokering and lending activities of MICs under the *Mortgage Brokers Act* (British Columbia). The Registrar and the *Mortgage Brokers Act* do not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation.

Businesses We are Permitted to Conduct as a MIC

To qualify as a MIC we are restricted by Canada's *Income Tax Act* (the "**Tax Act**") to carrying on the following activities:

(a) our business must be passive and of an investment nature (accordingly, we cannot manage or develop residential or commercial real estate properties other than incidental management thereof – such as management of properties acquired by foreclosure); and

(b) our only business can be the investing of funds.

Furthermore, such investments are subject to the following restrictions:

(a) at least 50% of the cost amount of all of our assets must consist of bank deposits or debts secured on Canadian homes or housing projects;

(b) no more than 25% of the cost amount of all of our assets can consist of ownership of, or lease interests in, real estate unless acquired through foreclosure;

(c) we cannot invest our funds in

   (i) real estate located outside Canada or in leasehold interests in such real estate,

   (ii) debts of persons not resident in Canada unless the debt is secured by a mortgage on real estate located within Canada, and

   (iii) shares of corporations not resident in Canada;

(d) our net leveraging (the ratio of the amount of our outstanding liabilities to the amount by which the cost of our assets exceeds our liabilities) cannot exceed a 3:1 ratio unless more than two-thirds of our investments are in residential mortgages and bank deposits, in which case it is entitled to be no more than a 5:1 ratio.

Taxation of MICs

Under the Tax Act, a MIC is not taxed on its net income earned and capital gains realized during a financial year if such net income and one-half of such capital gains (being the taxable portion of such capital gains) are distributed to the MIC's shareholders within 90 days of the MIC's financial year end. Therefore, to qualify as a MIC and receive this favourable tax treatment, we will annually distribute all of our net income and taxable capital gains to our Class A, Series 1 Shareholders. The annual distribution will be paid, at the election of each Shareholder, in cash or in further Class A, Series 1 Shares within 90 days of our financial year end. **These distributions are taxed as interest income in the hands of the Class A, Series 1 Shareholders and not as dividends** as described in Item 6 "Income Tax Consequences and Registered Plan Eligibility".

Investment Policy

Our investment policy is intended to enable us to qualify for the special tax treatment afforded to MICs under the Tax Act. For this reason, we loan most of our funds as residential mortgage loans and the balance is held in bank deposits. We may also lend our funds as construction, commercial and bare land mortgage loans, although that will be a very small part of our lending business. No funds will be loaned in respect of any property in which our directors or officers have a direct or indirect interest.

We believe the types of mortgage loans which we make are consistent with the criteria for a MIC under the Tax Act. While we meet these criteria we should be accorded the "flow through" tax treatment given to MICs. That treatment will result in us not being taxed on any of our net income or taxable capital gains, all of which will be distributed to our Class A, Series 1 Shareholders through annual distributions **and will be taxed as interest income in the hands of our Class A, Series 1 Shareholders and not as dividends.**

Operating Policy

Any residential loans made by us must be secured by first or second mortgages (although, in very few cases, we may accept third mortgages as security in special circumstances and terms). Loans will be limited to a maximum of 75% of the appraised value of the mortgaged property (the "loan to value" or "LTV" ratio) less the amount of any prior mortgages. We may, however, occasionally exceed 75% of the appraised value in order to secure the priority of our mortgage or otherwise effect a workout of the borrower's indebtedness.

Commercial, development and bare land mortgages made by us must be secured by first or second mortgages and the LTV must not exceed 75%.

Independent appraisals by accredited appraisers will be required for all mortgage loans in excess of $50,000. We will not fund any loan until all relevant materials are provided, reviewed, and accepted by us. Such materials include independent appraisals, mortgage applications, credit, financial, and economic reports. From time to time, exceptions to this appraisal requirement may be made for exceptionally low loan to value mortgages that are well secured by the land value, as evidenced by either a tax assessment of land value or a comparable market analysis of land value by a qualified realtor.

The maximum term of the loans can be up to two years but generally will be made for a one year term only.

Loans secured by properties with a residence must have valid homeowner insurance in place, unless at the time of funding the mortgage is fully secured by the land value alone. Title insurance is required and all taxes, levies and assessments must be fully paid on all properties.

When we make loans secured by property outside of major urban centres, we will significantly increase the requirements potential borrowers must meet before making such loans to ensure protection of our capital.

We will exercise caution to ensure no significant mortgage loans are or will be made to any one borrower or for any one project. Further, no mortgage with a single borrower shall exceed 50% of our total assets.

To ensure compliance with our lending (operating) policy, all loans funded by us are reviewed for compliance by the directors. See “Manager” below.

Competition

Our competitors will principally be other MICs, but will also include commercial lenders and financial institutions such as banks. Overall, the MIC lending business continues to increase in number of MICs and competitiveness of those MICs each year. There are already a significant number of MICs operating with varying levels of success and many of these MICs compete for the same borrowers. This has resulted, and could result in further, downward pressure on lending rates and the resulting rates of return to investors in MICs.

Manager

To provide for the management of our business we have entered into a Management Agreement dated October 13, 2017 with Blue Pearl Investments Ltd. (“**Manager**”). The Manager is owned by our President, Nitesh Prakash (50%), and Prakash (2017) Family Trust (50%), a trust the beneficiaries of which are the spouse and children of Nitesh Prakash.

Under the Management Agreement, the Manager provides mortgage investment and management services to us, including:

(a) sourcing and administering mortgage loans on our behalf within investment parameters established by our Board of Directors;

(b) carrying out the day-to-day administration of our business;

(c) providing monthly reports on our operations to our Board of Directors;

(d) communicating with mortgage brokers and our shareholders and answering their queries;

(e) preparing accounting information for our auditor; and

(f) furnishing us with all necessary administrative services including providing office space, clerical staff and maintaining books and records, all to the extent required in connection with the services that our Manager is required to render under the Management Agreement.

The Management Agreement provides that our Manager will be paid a monthly fee for its mortgage and administrative services equal to 0.0833% (1.0% per year) of our total assets (after deduction of provisions for losses) and 0. 0833% (1.0% per year) of our total assets (after deduction of provisions for losses) in respective of its other management services. Our total assets are determined as of the last working day of each month. From this amount, our Manager will remunerate our President and other employees. Payment to our Manager is made immediately after each month-end upon receipt of an account from it.

We are also required to reimburse our Manager for its reasonable and necessary out-of-pocket disbursements (excluding wages, salaries and the costs of office space and maintenance of our books and records) incurred in connection with administering our business. Such disbursements are paid monthly once approved by us.

We have agreed to indemnify our Manager from all claims incurred in respect of the origination, administration and servicing of our mortgage portfolio except those caused by our Manager's gross negligence or willful misconduct.

The Management Agreement has an initial term of five years, which shall automatically renew for successive five year terms unless it is terminated by us or the Manager. The Management Agreement may be terminated in the event of a bankruptcy or similar event by either party, a default by either party (the defaulting party having 30 days to rectify a default unless the default involves the non-payment of funds) or on six months written notice from the Manager. The Management Agreement may not be assigned by either party.

Our Manager may not participate in any loan that it may make available to us. But our Manager may receive or share mortgage brokerage fees or commissions paid in connection with mortgage loans made by us to borrowers introduced by the Manager, its directors and shareholders and third party mortgage brokers.

Transfer Agent, Registrar and Disbursing Agent

Pursuant to an agreement dated December 12, 2017, we appointed Computershare Investor Services Inc. of Vancouver, British Columbia as our registrar and transfer agent in respect of our Class A, Series 1 shares and disbursing agent in respect of any distributions paid in respect of such shares. In such capacity, Computershare maintains our share register for, and records any issuances, redemptions or transfers of, such shares. Computershare also effects any distributions on our Class A, Series 1 shares.

2.3 Development of Our Business

Since our incorporation, we have carried out a limited amount of business. See Item 8 "Risk Factors".

During our last financial year ended September 30, 2018, we raised over $922,000 from the sale of Class A, Series 1 shares. Using those funds, we made ten loans totalling $582,000 secured by residential mortgages with a weighted average interest rate of 11.9% per year.

During the subsequent period from October 1, 2018 to the date of this Offering Memorandum, we issued 10,726 Class A, Series 1 shares for $10,726 as a stock distribution and paid cash distributions of $12,198 for total distributions to Class A, Series 1 shareholders of $22,924, representing our financial 2018 net income before distributions, adjusted for rounding, before distributions.

During our most recently completed financial year there has not been any unusual events or conditions that have favourably, or adversely, influenced the development of our business.

2.4 Long Term Objectives

Our long term objectives are to attain an orderly and consistent growth of our earnings, assets and operations in accordance with prudent lending practices while minimizing both risk to our capital base and the number of foreclosures which must be completed when borrowers default under their mortgage loans and maximizing the return on investment realized by our shareholders.

To achieve those objectives, we need to obtain a continuous supply of both investment capital and qualified, performing mortgages. There cannot be any assurance, however, that we will be able to do so. See Item 8 “Risk Factors”.

2.5 Short Term Objectives and How We Intend to Achieve Them

Our objectives for the next 12 months are threefold:

Firstly, to raise further investment capital and investing that capital in residential mortgages in British Columbia.

Secondly, to remain qualified as a MIC. To do so, we must maintain an investor base of at least 20 shareholders, with no shareholder holding more than 25% of our shares by the end of our current financial year.

Thirdly, to meet our long term objectives set out in Item 2.4 “Long Term Objectives”.

To achieve those objectives, we need to obtain a continuous supply of both investment capital and qualified, performing mortgages. There cannot be any assurance, however, that we will be able to do so. See Item 8 “Risk Factors”.

We intend to meet those objectives for the next 12 months as set out in the following table.

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
Carry out the offering and qualify as a MIC as described in this Offering Memorandum.	Next 12 months	$ 50,000	$ 50,000
Use the offering proceeds to provide mortgage loans with a reasonable and manageable level of risk in accordance with our existing lending practices.	Next 12 months	0	$ 8,950,000

2.6 Insufficient Funds

There is no assurance that (i) any of the offering will be sold, (ii) the proceeds of the offering, if any, will be sufficient to accomplish our proposed objectives, or (iii) alternative financing will be available.

2.7 Material Agreements

We are a party to the following contracts with related parties and material contracts:

(a) Management Agreement dated October 13, 2017 with Blue Pearl Investments Ltd. See Item 2.2 "Description of Our Business – Manager"; and

(b) Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated December 12, 2017 with Computershare Investor Services Inc. See Item 2.2 "Description of Our Business – Transfer Agent, Registrar and Disbursing Agent".

Item 3 – INTERESTS OF 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 directors, officers and promoters and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of our voting securities (a "**Principal Holder**").

Name & Municipality of Principal Residence	**Positions Held & Date Appointed**	**Compensation Paid & Payable** (1) Last Year (Current Year)	**Number, Type & Percentage of Our Securities held** (2) **after completion of the:**	
			Minimum Offering	**Maximum Offering** (3)
PRAKASH, Nitesh Surrey, BC	President & Director September 21, 2017	0 (0)	32,496 Class A (3.48%) 1 Class B (9.09%)	32,496 Class A (3.41%) 1 Class B (9.09%)
SIDHU, Harmandeep Singh North Vancouver, BC	Secretary & Director September 21, 2017	0 (0)	0 Class A 1 Class B (9.09%)	0 Class A 1 Class B (9.09%)
DHILLON, Harpreet Singh Surrey, BC	Director September 21, 2017	0 (0)	43,401 Class A (4.65%) 1 Class B (9.09%)	43,401 Class A (4.56%) 1 Class B (9.09%)

(1) Paid by us or our Manager in the financial period set out in our financial statements attached hereto. Amounts shown in parentheses are the compensation expected to be paid in the current financial year.

(2) Shares beneficially held, directly or indirectly, or over which control or direction is exercised, by each person and does not include shares held jointly with a spouse. Amounts are subject to variation depending on the share purchases and redemptions during the term of the offering.

(3) Calculated on the basis of the number of shares of each class held as at the date of this Offering Memorandum. We are unaware whether our directors and officers will purchase any shares in the offering.

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 ours are set out in the following table.

Name & Position	Principal Occupation for last five years and Related Business Experience
PRAKASH, Nitesh President & Director	Registered (or Licenced) Mortgage Broker (British Columbia, Alberta, Manitoba, Saskatchewan and Ontario) President and owner of, and sub-mortgage broker at, Blue Pearl Mortgage Group Inc. (a mortgage brokerage) since September 2014 President of Blue Pearl Mortgage Investment Corporation and Blue Pearl Investment Ltd. (our Manager) (since September 2017) Sub-Mortgage broker with HSBC Finance (August 2006 to August 2014) Mortgage Broker course (Sauder School of Business, University of British Columbia; August 2006)
SIDHU, Harmandeep Singh Secretary & Director	Registered (or Licenced) Mortgage Broker (British Columbia and Ontario) and realtor (British Columbia) Sub-Mortgage broker at Blue Pearl Mortgage Group Inc. (a mortgage brokerage) since September 2014 Mortgage Broker course (Sauder School of Business, University of British Columbia; July 2006) Licenced (British Columbia) realtor (since March 2015)
DHILLON, Harpreet Singh Director	Registered (or Licenced) Mortgage Broker (British Columbia and Saskatchewan) Sub-Mortgage broker at Blue Pearl Mortgage Group Inc. (a mortgage brokerage) since September 2014 Sub-Mortgage Broker with HSBC Finance (June 2004 to August 2014) Mortgage Broker course (Sauder School of Business, University of British Columbia; June 2004) Diploma in Financial Management (BC Institute of Technology; June 2004)

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 trading 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 or 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, Principal Holders or promoters, nor are any of them indebted to us.

Item 4 – CAPITAL STRUCTURE

4.1 Share Capital

Our share capital is set out in the following table.

Description of Security [1]	Number Authorized to be Issued	Price per Security	Number outstanding		
			as at the date of this Offering Memorandum	after the Minimum Offering	after the Maximum Offering [2]
Class A Non-voting Participating Shares, Series 1	10,000	$1.00	951,811	951,811	10,000,000
Class B Voting Non-Participating Shares	unlimited	$1.00	11	11	11

(1) There are not any options, warrants or other securities convertible into Class A, Series 1 Shares or Class B Shares.

4.2 Current and Long Term Debt

Our current and long term indebtedness is set out in the following table.

Description of Debt & Whether Secured	Interest Rate (annual)	Repayment Terms	Amount Outstanding as at the Date of this Offering Memorandum
Current			
Demand Loans	–	–	0
Term Loans	–	–	0
Long Term			
Term Loans	–	–	0

4.3 Prior Sales

Within the past 12 months, we issued Class A, Series 1 Shares and Class B Shares (and no securities convertible into or exchangeable for Class A, Series 1 Shares or Class B Shares) as set out in the following table.

Date of Issuance		Number of Securities Issued	Price per Security	Total Funds Received
Class A, Series 1 Shares				
February 2018		300,000	$ 1.00	$ 300,000
May 2018		31,541	$ 1.00	$ 31,541

Date of Issuance		Number of Securities Issued	Price per Security	Total Funds Received
August 2018		160,834	$ 1.00	$ 160,834
September 2018		430,219	$ 1.00	$ 430,219
October 2018		10,726	$ 1.00	$ 10,726
January 2019		18,491	$ 1.00	$ 18,491
Totals		**951,811**	**-**	**$ 951,811**
Class B Shares				
April 2018		2	$ 1.00	$ 2.00
October 2018		1	$1.00	$ 1.00
Totals		**3**	**-**	**$ 3.00**

4.4 Redemption History

During our last two financial years and subsequent period to the date of this Offering Memorandum, we have redeemed the following Class A, Series 1 Shares and Class B Shares:

Financial Year	Redemption Requests							
	Opening Outstanding Requests (Number | $ Amount)		**Received during Financial Year** (Number | $ Amount)		**Paid Out during Financial Year** (Number | $ Amount)		**Ending Outstanding Requests** (Number | $ Amount)	
Class A, Series 1 Shares								
2017 [(1)]	0	$ 0	0	$ 0	0	$ 0	0	$ 0
2018	0	$ 0	0	$ 0	0	$ 0	0	$ 0
2019 [(2)]	0	$ 0	0	$ 0	0	$ 0	0	$ 0
Class B Shares								
2017 [(1)]	0	$ 0	1	$ 0	0	$ 1	0	$ 0
2018	0	$ 0	0	$ 1	1	$ 1	0	$ 0
2019 [(2)]	0	$ 0	1	$ 1	1	$ 1	0	$ 0

(1) For the period from incorporation to September 30, 2017.
(2) For the period from October 1, 2018 to the date of this Offering Memorandum.

We intend to pay all redemption requests in full using our cash on hand. We do not expect that such redemptions will cause any adverse effect on our operations or payment of income distributions.

Item 5 – SECURITIES OFFERED

5.1 Terms of Securities

The securities being offered for sale by this Offering Memorandum are Class A Non-voting Participating (redeemable) shares, Series 1 with a par value of $1.00 each (a "**Class A, Series 1 Share**") in our share capital.

Our Class B Voting Non-Participating Share with a par value of $1.00 (a "**Class B Share**") are not being offered for sale.

All of our shares issued to date are, and those issued pursuant to this Offering Memorandum shall be, fully paid and non-assessable.

Voting

Our Class A, Series 1 Shares do not have any right to vote except in respect of any amendment to their special rights and privileges. Each Class B Share has one vote at every meeting of shareholders.

Distribution of Profits

Each financial year, we will distribute to our Class A, Series 1 Shareholders all of our net profits and taxable capital gains for that financial year. This will be done through an annual distribution paid on each Class A, Series 1 Share outstanding as at the end of our financial year end. All distributions are paid within 60 days after our year end. The dividends may be paid by the issuance of further Class A, Series 1 Shares or by way of cash, or a combination of both, as elected by the shareholder.

Our Class B Shares are not entitled to receive any distributions of net profits or our taxable capital gains.

Restrictions on Ownership

The Tax Act imposes significant penalties on investments by Registered Retirement Savings Plans (RRSP) and Tax Free Savings Accounts (TFSA) if the ownership through an RRSP or TFSA by an investor and parties related to the investor equals 10% or more of the shares of a MIC. A "related party" includes the investor and anyone related to the investor by blood, marriage, "common law" partnership or adoption. **These** Tax Act **rules are complex and investors should seek advice from an accountant, investment advisor or other qualified person if the investor and the investor's related parties might jointly own 10% or more of our Class A, Series 1 Shares.**

Redemption of Shares

You can require us to redeem some or all of your Class A, Series 1 Shares by sending a written notice of retraction to us by July 2nd (90 days before the end of our financial year). Your shares will be redeemed for their net worth (generally $1.00 per share), plus any unpaid cash distributions, effective as of October 1st (the first day of the next financial year) and payment for your shares will be made by December 29th (the 90th day of that financial year). Each redemption of our shares is subject to fees of $75, payable by the shareholder.

If a shareholder dies without a surviving spouse, all Class A, Series 1 Shares held by that shareholder will be redeemed within 90 days after the financial year in which the shareholder died.

We can redeem, in our sole discretion, any or all Class A, Series 1 Shares and Class B Shares held by any shareholder without the consent of, or receiving a notice of retraction from, that shareholder. Such redemptions will be made effective September 30th upon 30 days written notice to the shareholder.

If a planned redemption would result in us not meeting the requirements for a MIC under the Tax Act or the solvency requirements of the *Business Corporations Act*, we will only redeem such number of shares as may be necessary for us to continue to meet such requirements.

Transferability

Our Class A, Series 1 Shares are subject to restrictions on transfer:

(a) contained in our Articles (our corporate charter); and

(b) imposed by applicable securities legislation (see Item 10 “Resale Restrictions”).

Our Articles provide that a shareholder cannot transfer any of their Class A, Series 1 Shares without the consent of our Board of Directors. This restriction does not apply to a transfer of Class A, Series 1 Shares to the shareholder’s Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Deferred Profit Share Plan (DPSP), Registered Pension Plan (RPP), Registered Education Savings Plan (RESP), Tax Free Savings Account (TFSA), independent savings plan or other savings plan created by a province or the Canadian government (collectively, “**Registered Plans**”) or a Registered Plan owned by the shareholder’s spouse.

The Tax Act requires MICs to have no fewer than 20 shareholders and no one shareholder (including the shareholder’s spouse and children under 18, and companies controlled by any of them and the shareholder) to hold more than 25% of its issued shares. Accordingly, our Articles also prohibit any transfer of shares or any other action which would result in us not qualifying as a MIC under the Tax Act.

Each transfer of our shares is subject to fees of $75, payable by the shareholder.

Conversion

Neither our Class A, Series 1 Shares nor our Class B Shares are convertible into any other form of share or security.

Liquidation Entitlement

If we are liquidated, dissolved or wound-up, the remaining proceeds after payment of all expenses and outstanding indebtedness will be paid to our Class A, Series 1 Shareholders and Class B Shareholders in proportion to the number of our shares held. Since we pay out all of our net profits and taxable capital gains each year, it is possible that on a liquidation, dissolution or winding-up our shareholders may not be paid the full amount paid for their shares.

Amendment of Terms

The terms of our Class A, Series 1 Shares may only be amended with the approval of not less than two-thirds of the votes cast by our Class A, Series 1 Shareholders, each Class A, Series 1 Shareholder having one vote for each Class A, Series 1 Share held.

The terms of our Class B Shares may only be amended with the approval of not less than two-thirds of the votes cast by our Class B Shareholders.

5.2 Subscription Procedure

If you wish to subscribe for our Class A, Series 1 Shares, please complete and sign a Subscription Agreement, and all schedules thereto, in the form accompanying this Offering Memorandum and **return the agreement to us together with a certified cheque, bank draft or money order payable to "Blue Pearl Mortgage Investment Corporation"**, for the number of shares you wish to purchase.

All subscription funds will be held by us (as required by law) for at least two business days after receipt. Closing will occur effective on or about the date(s) set out on the cover of this Offering Memorandum and share certificates issued shortly thereafter. The original share certificates are kept by us unless you subscribe for your shares through a Registered Plan, in which case the original share certificates are sent to the financial institution administering your Registered Plan. We will provide you with a copy of your share certificate for your records on your request.

There are no conditions that must be met by us before any closing occurs, however, we may, in our sole discretion, establish minimum and maximum subscription amounts by investors or accept or reject any subscription. Furthermore, if we do not require additional funds at any time, we may elect not to have a closing on one or more of the dates set out on the cover of this Offering Memorandum. If a subscription is not accepted, in whole or in part, we will return all or part of your subscription funds, without interest or deduction, as applicable.

Item 6 – INCOME TAX CONSEQUENCES AND REGISTERED PLAN ELIGIBILITY

6.1 Caution

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

6.2 Description of Income Tax Consequences

Caution

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

We are making the income tax disclosure contained in this Item 6.2, but we make no other warranties or representations, implied or otherwise, with respect to taxation issues. If we were not to qualify as a MIC, the income tax consequences would be materially different from those described in this Item 6.2.

General

In the opinion of our management, the following sets out a summary of the principal Canadian federal income tax consequences of acquiring, holding, and disposing of the Class A Shares by a Subscriber who, at all relevant times, is a resident of Canada, deals with us at arm's length, and who acquires and holds the Class A Shares as capital property. Subscribers for whom the Class A Shares might not constitute capital property may elect, in certain circumstances, to have such property treated as capital property by making an election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to any Class A Shareholder which is a "financial institution" as defined in section 142.2 of the Tax Act, or to any holder of Class A Shares an interest in which is a "tax shelter investment" for the purposes of the Tax Act.

This summary is based upon the current provisions of the Tax Act, the regulations made under the Tax Act (the "**Tax Regulations**"), all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum and the current published administrative practices of Canada Revenue Agency. This summary assumes that all such tax proposals will be enacted as currently proposed but does not take into account or anticipate any other changes in law whether by legislative, government or judicial action and does not take into account tax legislation or considerations of any province, territory or foreign jurisdiction.

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

The summary contained in this section is of a general nature only and is not exhaustive of all possible Canadian federal income tax consequences. It is not intended to be and should not be interpreted as legal or tax advice to any particular Subscriber. You should consult with your own tax advisor regarding the income tax consequences to you of acquiring, holding and disposing of the Class A Shares including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

Status as a Mortgage Investment Corporation

This summary is based on the assumption that we qualify as a mortgage investment corporation under the Tax Act. We will qualify as a mortgage investment corporation throughout each of our taxation years if throughout that taxation year:

(a) we are a Canadian Company as defined in the Tax Act;

(b) our only undertaking is the investing of funds and we did not manage or develop any real property;

(c) no debts are owed to us that are secured on real property situated outside of Canada;

(d) no debts are owed to us by non-residents, other than debts secured on real property situated in Canada;

(e) we do not own shares of any corporation not resident in Canada;

(f) we do not own real property located outside of Canada or any leasehold interest in such property;

(g) we have at least 20 shareholders (except that we are deemed to comply with this requirement throughout its first taxation year if we comply with it on the last day of our first taxation year, which we did);

(h) no person is a "specified shareholder", as that term is defined in subsection 248(1) of the Tax Act and modified by paragraph 130.1(6)(d) of the Tax Act, which generally means a person who alone or together with the person's spouse, children under the age of 18, and other related parties, owns more than 25% of the issued shares of any class of our shares;

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

(j) the cost amount of our property represented by loans on houses or on property included within a housing project (as those terms are defined in the *National Housing Act*), together with cash on hand and deposits with a bank or any other lender whose deposits are insured by the Canada Deposit Insurance Company or a credit union, (collectively, the "**Qualifying Property**") is at least 50% of the cost amount to us of all of our property;

(k) the cost amount of real property (including leasehold interests therein but excluding real property acquired as a consequence of foreclosure or defaults on a mortgage held by us) owned by us does not exceed 25% of the cost amount to us of all of our property; and

(l) where at any time in the year the cost amount to us of our Qualifying Property is less than 2/3 of the cost amount to us of all of our property, our liabilities throughout the year do not exceed three times the amount by which the cost amount to us of all of our property exceeds our liabilities, or, where throughout the taxation year the cost amount to us of our Qualifying Property equals or exceeds 2/3 of the cost amount of all of our property, our liabilities do not exceed five times the amount by which the cost amount to us of all of our property exceed our liabilities.

It is intended, and this summary assumes, that these requirements will be satisfied so that we will qualify as a mortgage investment corporation at all relevant times. If we were not to qualify as a mortgage investment corporation, the income tax consequences would be materially different from those described below.

Tax Payable by Us

In general, a MIC does not pay income tax as long as it distributes its net income and any taxable capital gains to its shareholders within 90 days after each financial year end. **When our net income and any** taxable **capital gains are distributed to you, tax on the net income component of that distribution is payable by you as if you had received interest income and the tax on the capital gain component is payable in accordance with the usual capital gains tax rules**.

Tax Payable by You

The distributions you receive on your Class A, Series 1 Shares, whether you take such distributions in cash or as new Class A, Series 1 Shares, may result in you having to pay tax. The result depends on how your Class A, Series 1 Shares are held.

Class A, Series 1 Shares held in a Registered Plan

Any distributions paid to a Registered Plan will be received on a tax-deferred basis so tax is not paid by you on such distribution until it is withdrawn from the Registered Plan. Furthermore, until withdrawn, any income earned on such distributions (for example, interest) within a Registered Plan is earned tax-deferred.

Class A, Series 1 Shares held outside of Registered Plans

If you are an individual and hold your Class A, Series 1 Shares outside of a Registered Plan you must declare distributions paid to you by us as taxable interest and if the distribution includes a capital gain component, the tax payable on that component is subject to the usual capital gains tax. This is the case whether the distributions were paid to you in cash or through additional Class A, Series 1 Shares. The amount of the distribution you receive is based on the number of Class A, Series 1 Shares you own. The nature of the distribution (that is, whether it is taxed as interest or as a capital gain) depends on how we initially received the funds – as interest or a capital gain. After the end of each calendar year, we will issue a T5 reporting slip to you indicating how much of your distributions are income and how much are capital gains.

Redeeming Shares

If you redeem your Class A, Series 1 Shares you will generally receive $1.00 per Share redeemed. If, however, we do not have sufficient funds to pay such amount you may receive less than $1.00 per share in which case you will realize a capital loss. Since we must annually distribute all of our net profits and taxable capital gains, it is unlikely you will receive more than $1.00 per Class A, Series 1 Share redeemed.

Amounts paid by us on the redemption or acquisition of a Class A Share, up to the paid-up capital thereof, will be treated as proceeds of disposition. Any amount paid by us on the redemption or acquisition of a Class A Share in excess of the paid-up capital of such Class A Share will be included in the income of a holder of Class A Shares, in accordance with the rules described above.

In general, a capital loss will be equal to the difference between the amount you receive on the redemption (less any costs of the redemption) and the adjusted cost base ("**ACB**") of the shares (which is calculated in accordance with the requirements set out in the Tax Act). Capital losses may be applied (depending on your circumstances) to capital gains to reduce your overall tax payable. We will provide you with details on the proceeds from your redemption of our shares. However, in order to calculate your capital loss, you need to know the ACB of your shares before the redemption.

6.3 Eligibility for RRSPs and Other Registered Plans

Our Class A, Series 1 Shares, if issued on the date hereof and the investor, together with the investor's related parties, owns less than 10% of our shares, would be qualified investments under the Tax Act and the regulations thereunder for Registered Plans. In addition, our Class A, Series 1 Shares, if issued on the date hereof, would not constitute "foreign property" for the purpose of the tax imposed under Part XI.01 of the Tax Act on the Registered Plans, registered investments and certain other tax exempt entities, including most RPPs and registered pension funds. RRSPs, RESPs and TFSAs are not subject to the foreign property rules.

Item 7 – COMPENSATION PAID TO SELLERS AND FINDERS

No person has or will receive any compensation by way of commission, corporate finance fee or finder's fee in connection with the Offering prior to February 15, 2019. Thereafter, due to a change in applicable laws, we will be required to use an exempt market dealer to sell our Shares and will pay commissions and referral fees to them in consideration of their referral of qualified investors who purchase our Class A, Series 1 Shares through the Offering.

All commissions and referral fees will be negotiated on a case-by-case basis and may involve up-front cash commissions, "trailing" fees (paid over time while the investor continues to hold our Class A, Series 1 Shares) or other fees, the amounts of which will not exceed commissions and fees normally paid in the securities industry. Such commissions and fees will be deducted, for fixed fees and commissions, from the subscription funds provided by an investor and, for trailing fees, from income distributions paid to such investor.

Item 8 – RISK FACTORS

Nature of a Mortgage Investment Corporation

When you invest in a MIC you do so by buying its shares. The MIC then invests the money raised from you and a group of investors with similar investment objectives in mortgages that are professionally managed by the MIC and its manager.

As a result, when you buy shares of a MIC you are indirectly buying an interest in these underlying mortgages. The value of your investment is determined by the performance of these underlying mortgages so you and the investors in the MIC share in any gains or losses generated by the MIC from these mortgages.

Generally, you can sell your shares back to the MIC (in other words, the MIC will redeem your shares) in order to take your money out of the MIC. When you sell you shares back to the MIC, the value of your original investment may have increased or decreased.

How risk is related to return

Generally, there is a strong relationship between the amount of risk associated with a particular investment, and that investment's long-term potential to increase in value.

Investments that have a lower risk also tend to have lower returns because factors that can affect the value of the investment, the risks, are well known or are well controlled and have already been worked into the price of the investment. On the other hand, investments that could have potentially higher returns if conditions for success are favourable also risk generating equally higher losses if conditions become unfavourable. This is because the factors affecting the value of such investments are unknown or difficult to control.

What are the risks of investing in MICs?

Like any investment, there are risks associated with investing in MICs. The specific risks that can apply to us are explained below.

We have a Short History of Operations

We were recently incorporated and have only carried out a limited number of financings and mortgage lending activities. Accordingly, we do have a limited history of operations, and investors will be unable to determine whether we will become successful or can generate a reasonable return on their investment.

Your Investment is Not Guaranteed

Unlike bank deposits and guaranteed investment certificates (GICs) or money you have deposited in a bank account, your investment in a MIC is not guaranteed by the Canada Deposit Insurance Corporation, by any other government insurer or by us.

The Security for Our Loans will Fluctuate in Value

The value of a MIC's investments (that is, the loans it has made) and the value of the security for those investments (that is, the properties against which the mortgages securing the loans are registered) will change from time to time. While we endeavour to minimize our exposure to such fluctuations (and the resulting risk to our investors) by restricting our loans to 75% (or less) of the value of the security for such loans, there is a risk that the value of such security can significantly decrease in a falling real estate market. If the value of such security decreases to less than the outstanding amount due under the corresponding loan, the value of the loan would be adversely affected or impaired, which could reduce the value of your shares upon a redemption or the amount of income distributed to you.

There are a myriad of factors that can affect the value of real estate and a MIC's loans, including:

- current economic conditions, in particular, the value of real estate;
- changes in interest rates;
- changes in governmental regulation;
- events in financial markets; and
- financial conditions of the borrowers to which the MIC has advanced funds.

Your Investment could Decrease in Value

As a result of the changing value of the loans and corresponding mortgages, the value of your investment in a MIC could decrease over time, and there is no guarantee that when we redeem your shares they will be worth the price you paid for them.

Your Investment is Subject to Changes in Interest Rates

MICs are subject to interest rate risk. Our mortgage investments earn a fixed rate of interest. When interest rates rise, existing investments in mortgages become less valuable because new mortgages will pay the new, higher rate of interest. Conversely, if interest rates fall, the value of an existing mortgage with a higher rate of interest will rise.

Our Borrowers are or could become a Bad Credit Risk

Our borrowers often have incomes that are seasonal or fluctuate or they may have been refused credit from banks and other traditional financial institutions. Accordingly, our borrowers may be considered to be higher risk and, as a result, there is a risk they may not be able to, or may refuse to, pay back their loans when due. We believe our lending policy is conservative and anticipate that minimal losses will be incurred. Furthermore, if a loss does occur, it will be spread over all of our capital. Nevertheless, such losses could amount to a reduction in anticipated return on your investment or, in the worst circumstances, result in you losing your entire investment.

We might be Unable to Redeem Your Shares

Under exceptional circumstances, we may suspend your right to redeem your Class A, Series 1 Shares for example, if the redemption would render us insolvent or if it would cause us not to meet the requirements for a MIC under the Tax Act.

Class A, Series 1 Shareholders have Restricted Voting Rights Risk

Class A, Series 1 Shareholders are not able to vote at annual general meetings of our shareholders in respect of the election of directors and the appointment of an auditor. Only Class B Shareholders are entitled to vote on such matters. However, matters specifically affecting the rights of Class A, Series 1 Shareholders are subject to approval by a vote of the Class A, Series 1 Shareholders.

Our Shares are Subject to Restrictions on Resale

Our Class A, Series 1 Shares are not traded on any stock exchange and may not be resold to third parties, therefore, you cannot liquidate your investment through selling your Class A, Series 1 Shares. See Item 10 "Resale Restrictions".

The Loss of our Manager could Adversely Affect Our Business

We rely solely on our Manager to administer investments for us. The loss of our Manager would require us to retain another manager, possibly at a higher cost and on a less successful basis than our Manager. This would have a material adverse effect on the rate of return obtained on our capital and, therefore, on the value of your investment in our Class A, Series 1 Shares.

A Change in Tax Legislation could Adversely Affect Our Business

We have been created to comply with the MIC requirements of the Tax Act. Our Class A, Series 1 Shares are intended to appeal to individuals having Registered Plans such as RRSPs, RRIFs, TFSAs and RESPs. While it is not anticipated the provisions of the Tax Act respecting such Registered Plans will change, there is always the possibility that it could be altered so that our Class A, Series 1 Shares would no longer be eligible investments for Registered Plans. Such changes could have an adverse effect on your investment.

We intend our business to be operated so that it complies at all times with the requirements for MICs under the Tax Act. Failure to meet such requirements could have a material adverse effect on our financial performance.

The provisions of the Tax Act could be changed so that our net profits and taxable capital gains could be taxable in our, rather than your, hands. This could affect the value of your investment, especially if you own our Class A, Series 1 Shares in a Registered Plan.

Risk of Dealing with Trustees

We will deal with the trustees of Registered Plans as necessary but we will not undertake any responsibility for the administration of any self-directed Registered Plans by such trustees. The trust company of your Registered Plan may impose conditions upon us with which we are unable or unwilling to comply. As a result, your trustee may refuse to allow our Class A, Series 1 Shares to be an eligible investment for your Registered Plan.

Item 9 – REPORTING OBLIGATIONS

9.1 Continuous Disclosure

We are not a reporting issuer under applicable securities legislation, nor will we become a reporting issuer following the completion of the offering. **Consequently, we are not required to send you any documents on an annual or ongoing basis**. Since we are not, and will not become, subject to the continuous disclosure requirements of such securities legislation, we are not required to issue press releases or to send to you our interim and annual financial statements, management's discussion and analysis respecting such statements or annual reports.

The *Business Corporations Act* (British Columbia) requires us to hold a general meeting of our Class B Shareholders in each calendar year and, at the meeting, to provide them with audited financial statements for the previous financial year. Instead of providing our annual financial statements at the meeting, we mail them to our Class B Shareholders and to each Class A, Series 1 Shareholder together with the notice for our annual general meeting of Class B Shareholders held in the fall of each year. At the same time, we send a letter to shareholders reporting on our previous year's business.

From time to time, we may send out on our own accord, or in response to a request from one or more shareholders, further information to all shareholders such as a reporting letter and interim financial statements.

9.2 Access to Corporate and Securities Information about Us

Since we are not a reporting issuer and our Class A, Series 1 Shares are not publicly traded, no corporate or securities information about us is available from a government, regulatory authority, stock exchange or quotation and trade reporting system. Some securities information about this and previous offerings is available from the British Columbia Securities Commission at www.bcsc.bc.ca, Further information about us is available on our website www.bluepearlmortgage.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 securities before the date that is four months and a day after the date we become a reporting issuer in any province or territory of Canada.

We are not a reporting issuer in any Canadian province or territory, we will not become a reporting issuer upon completion of the offering and we do not anticipate becoming a reporting issuer. Accordingly, the resale restriction on Class A, Series 1 Shares you acquire under this Offering Memorandum may never expire.

Item 11 – PURCHASERS' 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 second 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 this Offering Memorandum, you have a statutory right to sue:

(a) us to cancel your agreement to buy these securities; or

(b) for damages against us, our directors as at the date of this Offering Memorandum and every signatory to this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

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 you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

If you sue for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that we prove does not represent the depreciation in value of the securities resulting from the misrepresentation.

11.3 Contractual Rights of Action in the Event of a Misrepresentation

If you are resident outside of Canada and the securities legislation where you are resident does not provide a comparable statutory right and there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue us:

(a) to cancel your agreement to buy these securities; or

(b) for damages.

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

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 you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

Item 12 – FINANCIAL STATEMENTS

Following are our audited financial statements for the period from our incorporation on September 21, 2017 to September 30, 2017 and our financial year ended September 30, 2018.

Smythe CPA

BLUE PEARL MORTGAGE INVESTMENT CORPORATION

Financial Statements
Year Ended September 30, 2018 and the Period from Incorporation on September 21, 2017 to September 30, 2017
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BLUE PEARL MORTGAGE INVESTMENT CORPORATION

We have audited the accompanying financial statements of Blue Pearl Mortgage Investment Corporation, which comprise the statements of financial position as at September 30, 2018 and 2017 and the statements of operations and comprehensive income, changes in shareholders' equity and cash flows for the year ended September 30, 2018 and the period from incorporation on September 21, 2017 to September 30, 2017, 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.

Auditors' 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 auditors' 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, the financial statements present fairly, in all material respects, the financial position of Blue Pearl Mortgage Investment Corporation as at September 30, 2018 and 2017, and its financial performance and its cash flows for the year ended September 30, 2018 and the period from incorporation on September 21, 2017 to September 30, 2017, in accordance with International Financial Reporting Standards.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
December 6, 2018

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BLUE PEARL MORTGAGE INVESTMENT CORPORATION
Statements of Financial Position
As at September 30
(Expressed in Canadian Dollars)

		2018		2017
Assets				
Cash	$	262,371	$	-
Mortgages Receivable (note 5)		552,000		-
Subscriptions Receivable (note 7)		130,230		11
Interest Receivable (note 5)		4,410		-
	$	949,011	$	11
Liabilities				
Deferred Revenue	$	3,483	$	-
Redeemable Preferred Shares (note 7)		922,594		-
		926,077		-
Shareholders' Equity				
Share Capital (note 7)		11		11
Retained Earnings		22,923		-
		22,934		11
	$	949,011	$	11

Event After the Reporting Period (note 9)

Approved on behalf of the Board:

(signed) Nitesh Prakash
…………………………………………………… Director

(signed) Harpreet Dhillon
…………………………………………………… Director

See notes to financial statements.

BLUE PEARL MORTGAGE INVESTMENT CORPORATION

Statements of Operations and Comprehensive Income
(Expressed in Canadian Dollars)

	Year Ended September 30, 2018	Period from Incorporation on September 21, 2017 to September 30, 2017
Revenues		
Interest	$ 18,706	$ -
Fees	4,649	-
	23,355	-
Expenses		
Bank charges	432	-
Management fees (note 6)	5,518	-
	5,950	-
Gain on forgiveness of accounts payable (note 6)	5,518	-
Net Income and Comprehensive Income for the Period	$ 22,923	$ -

See notes to financial statements.

BLUE PEARL MORTGAGE INVESTMENT CORPORATION
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Voting Preferred Shares	Share Capital	Retained Earnings	Total
Balance, September 21, 2017	-	$ -	$ -	$ -
Shares issued on incorporation	11	11	-	11
Balance, September 30, 2017	11	11	-	-
Net income for period	-	-	22,923	22,923
Balance, September 30, 2018	11	$ 11	$ 22,923	$ 22,934

See notes to financial statements.

BLUE PEARL MORTGAGE INVESTMENT CORPORATION
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended September 30, 2018	Period from Incorporation on September 21, 2017 to September 30, 2017
Operating Activities		
Net income	$ 22,923	$ -
Items not affecting cash		
Changes in non-cash working capital		
Mortgages issued	(582,000)	-
Mortgages repaid	30,000	-
Interest receivable	(4,410)	-
Deferred revenue	3,483	-
Cash Used in Operating Activities	(530,004)	-
Financing Activities		
Proceeds on issuance of preferred shares	792,375	-
Cash Provided by Financing Activities	792,375	-
Change in Cash	262,371	-
Cash Position, Beginning of Period	-	-
Cash Position, End of Period	$ 262,371	$ -

1. NATURE AND CONTINUANCE OF OPERATIONS

Blue Pearl Mortgage Investment Corporation (the "Company") is a private company incorporated pursuant to the laws of the *Business Corporation Act* of British Columbia. The principal business of the Company is to originate and manage long-term income generation through a portfolio of interests in mortgages underwritten on real property. The Company qualifies as a mortgage investment corporation ("MIC") under section 130.1 of the *Income Tax Act* (Canada), and as such, is able to make distributions to its preferred shareholders on a pre-tax basis, provided that its taxable income is paid to its holders in the form of dividends within 90 days of the Company's fiscal year end. During the year ended September 30, 2018, the weighted average annual return to preferred shareholders was 9.64% (2017 – nil%). The return to preferred shareholders was paid to preferred shareholders within 90 days of September 30, 2018 as described above.

The Company's office is located at Unit 117 5577 153A Street, Surrey, BC V3S 5K7.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

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

The financial statements were reviewed and authorized for issue by the directors on December 6, 2018.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. All values are rounded to the nearest dollar, unless otherwise indicated.

2. BASIS OF PRESENTATION (Continued)

(c) Significant accounting judgments, estimates and assumptions

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the period.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods, and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements.

Estimate and Judgment

Classification of preferred shares

Judgment is required in applying International Accounting Standard (“IAS”) 32 *Financial Instruments: Presentation* to determine the classification of preferred shares as a liability or equity instruments.

Recoverability of mortgages receivable

Judgement is required to make an assessment of the impairment of mortgages receivable. Mortgages receivable are considered to be impaired only if objective evidence indicates that one or more events have occurred after its initial recognition, that have a negative effect on the estimated future cash flows of that asset. The estimate for the recoverable value of the mortgage receivable may include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation or regulation, prior encumbrances, and other factors affecting the investments and underlying security of the investments. These assumptions are limited by the availability of reliable comparable data, economic uncertainty and the uncertainty of predictions concerning future events. Accordingly, by their nature, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

(d) Financial instruments

Financial assets

The Company classifies its financial assets as FVTPL, loans and receivables, held-to-maturity (“HTM”) and available-for-sale (“AFS”). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

2. BASIS OF PRESENTATION (Continued)

(d) Financial instruments (Continued)

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through profit or loss. Cash is included in this category of financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortized costs less any impairment. Loans and receivables comprise mortgages receivable, interest receivable and subscriptions receivable.

Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. HTM investments are initially recognized on their trade-date at fair value, and subsequently are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company has no HTM financial assets as at September 30, 2018.

Available-for-sale financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income (loss) and classified as a component of equity. AFS assets include investments in equities of other entities.

Management assesses the carrying value of AFS financial assets at least annually and any impairment charges are recognized in profit or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments recognized in other comprehensive income (loss) are included in profit or loss. The Company has no AFS financial assets as at September 30, 2018.

2. BASIS OF PRESENTATION (Continued)

(d) Financial instruments (Continued)

Financial liabilities

The Company classifies its financial liabilities at FVTPL and other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recognized at fair value with changes in fair value recorded through profit or loss.

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Other financial liabilities include accounts payable and accrued liabilities, deferred revenue, and redeemable preferred shares.

(e) Mortgages receivable

Mortgages receivable are recognized initially at cost less any directly attributable transaction costs. Subsequent to initial recognition, the mortgages receivable are measured at amortized cost using the effective interest method, less any impairment losses.

The mortgages receivable are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of an asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of mortgages receivable measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the investments. Interest on the impaired asset continues to be recognized through the unwinding of the discount if it is considered collectable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2. BASIS OF PRESENTATION (Continued)

(f) Preferred shares

Preferred shares that are redeemable on demand at the option of the holder are recorded on the statement of financial position as a liability at their par value as at the date of issue. Distributions are recognized in the statement of operations in the period declared.

(g) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortized cost less any impairment. Loans and receivables comprise mortgages receivable and interest receivable.

(h) Revenue recognition

Interest income is recognized as earned over the term of the mortgage at the stated interest rate. Commitment fees received are recognized on a straight-line basis over the term of the mortgage. Commitment fees not recognized are recorded as deferred revenue.

(i) Income taxes

The *Income Tax Act* (Canada) permits MICs to deduct taxable dividends paid during the period or within 90 days after fiscal year-end in calculating taxable income for the period. Management of the Company intends to follow the policy of annually distributing all taxable income to the shareholders by dividend, and in accordance with this policy, no provision for income taxes has been recorded in these financial statements.

(j) Return to preferred shareholders

Return to preferred shareholders is a non-IFRS measure and is calculated by dividing the profit or loss for the period by the weighted average number of preferred shares outstanding during the period.

(k) Future changes in accounting policies

IFRS 15 *Revenue from Contracts with Customers*

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*.

2. BASIS OF PRESENTATION (Continued)

(k) Future changes in accounting policies (Continued)

IFRS 15 *Revenue from Contracts with Customers* (Continued)

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Revenue is recognized based on a five-step model:
  1. Identify the contract with customer;
  2. Identify the performance obligations;
  3. Determine the transaction price;
  4. Allocate the transaction price to the performance obligations; and,
  5. Recognize revenue when (or as) the performance obligations are satisfied.

- New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Effective for the Company's annual reporting period beginning on October 1, 2018. The Company does not anticipate this new standard will have a significant impact on its financial statements.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: “amortized cost”, “fair value through other comprehensive income”, or “fair value through profit or loss” (default). Equity instruments are classified and measured as “fair value through profit or loss” unless upon initial recognition elected to be classified as “fair value through other comprehensive income”.

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity’s own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

2. BASIS OF PRESENTATION (Continued)

(k) Future changes in accounting policies (continued)

IFRS 9 *Financial Instruments* (continued)

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

Effective for the Company's annual reporting period beginning on October 1, 2018. The Company does not anticipate this new standard will have a significant impact on its financial statements.

IFRS 16 *Leases*

Earlier application permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers.*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.

2. BASIS OF PRESENTATION (Continued)

(k) Future changes in accounting policies (continued)

IFRS 16 *Leases* (continued)

- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

Effective for the Company's annual reporting period beginning October 1, 2019

The Company is currently assessing the implications IFRS 16 will have on its financial statements.

3. FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk refers to the potential that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company manages credit risk, in respect of its cash by placing its cash balances at a major Canadian financial institution.

The Company is also exposed to credit risk with respect to its mortgages receivable. The Company follows a program of credit evaluations of mortgagees and has a registered charge on the underlying property. The Company maintains a provision for potential credit losses. There have been no such realized losses to date. As at September 30, 2018, the Company has recorded a provision for mortgage losses of $nil.

The Company's maximum credit risk exposure (without taking into account collateral and other credit enhancements) at September 30, 2018 is represented by the respective amounts of the relevant financial assets in the statement of financial position.

3. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company manages its liquidity risk on an ongoing basis in accordance with policies and procedures in place. The Company is exposed to liquidity risk in respect of its redeemable preferred shares. Preferred shares are redeemable at $1 per share at the option of the holder subject to certain restrictions.

The Board of Directors may determine at their discretion to not redeem Class A Non-Voting Participating Series 1 Shares of the Company if such redemption would cause the Company to cease being qualified as a mortgage investment corporation pursuant to the provisions of the *Income Tax Act* (Canada), or if to do so would render the Company insolvent.

(c) Market risk

Market risk is the risk that the fair value of the collateral securing any of the mortgages receivable falls to a level approaching the mortgage amount. The Company ensures that it is aware of real estate market conditions in the regions in which it operates and monitors real estate market trends and lending practices. Policies are adjusted when necessary.

(d) Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's mortgages receivable are at fixed interest rates. Therefore, the Company is not exposed to interest rate cash flow risk during the terms of the mortgages. The Company is exposed to interest rate price risk, as the fair value of the mortgages receivable will fluctuate if market rates differ from the interest rates of the mortgages. Due to the short-term nature of these financial instruments, fluctuations in market rates of interest do not have a significant impact on future cash flows.

3. FINANCIAL INSTRUMENTS (Continued)

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk, as it holds no financial instruments whose value changes due to changes in market prices.

(f) Determination of fair value

The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data. The Company's cash, mortgages receivable, interest receivable, and accounts payable and accrued liabilities are short term in nature, and therefore the carrying values approximate fair values. The Company's redeemable preferred shares have been measured using Level 3 inputs.

4. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to preserve preferred share values, provide preferred shareholders with stable dividends and use leverage in a conservative manner to improve return to preferred shareholders. There have been no changes to the Company's approach to capital management during the period.

The capital structure of the Company consists of issued and outstanding preferred shares. The Company manages its capital by using financial leverage as required to improve its return to preferred shareholders.

(Expressed in Canadian Dollars)

5. MORTGAGES RECEIVABLE

The mortgages receivable bear interest at rates ranging from 11% to 12% per annum, with a weighted average rate of 11.9%. The mortgages receivable individually mature within the next twelve months and are automatically renewed subject to good standing and credit risk analysis. Following is a schedule of amounts outstanding as at September 30, 2018:

		2018
Mortgages receivable	$	552,000
Provision for mortgage losses		-
Balance, September 30	$	552,000

There were no mortgages issued during the period ended September 30, 2017. As at September 30, 2018, interest receivable related to mortgages receivable totaled $4,410 (September 30, 2017 - $nil).

6. RELATED PARTY TRANSACTIONS

The Company has entered into a Management Agreement dated October 13, 2017 with Blue Pearl Investment Ltd. (hereinafter referred to as “Manager”) under which Manager manages the business of the Company in consideration for a fee.

The Manager has been delegated the responsibility for planning, directing and controlling activities of the Company directly or indirectly. The Manager’s key management personnel include certain directors in common with the Company.

The Directors of the Company have acquired 3 Class B Voting Non-Participating Shares and 74,155 Class A Non-Voting Participating Series 1 Shares of the Company.

The Manager is paid a monthly fee for its mortgage servicing and administrative services equal to the aggregate sum of: 1/12 of 1% per month (1% per annum) of the aggregate outstanding balance of the Company’s total assets (after deduction of provisions for losses) and a monthly management fee of 1/12 of 1% per month (1% per annum) of the aggregate outstanding balance of the Company’s total assets (after deduction of provisions for losses) calculated as of the last day of the month.

For the year ended September 30, 2018, the Manager waived their mortgage servicing and administrative services fees of $5,518 (2017 - $nil) resulting in a gain on forgiveness of accounts payable of $5,518.

7. SHARE CAPITAL

(a) Authorized

- An unlimited number of Preferred Class A Non-Voting shares with a par value of $1 each.
- 10,000,000 Preferred Class A Non-Voting Series 1 shares with a par value of $1 each.
- An unlimited number of Preferred Class B Voting Non-Participating shares with a par value of $1 each.

(b) Issued

Preferred Class A Non-Voting shares

During the year ended September 30, 2018 and the period from incorporation on September 21, 2017 to September 30, 2017, there were no Preferred Class A Non-Voting Shares issued.

Preferred Class A Non-Voting Series 1 shares

The Preferred Class A Non-Voting Series 1 shares participate in the profits of the Company but such shares are non-voting and the directors will determine annually the amount of dividends payable on the shares. Preferred Class A Non-Voting Series 1 shares are redeemable at $1 per share at the option of the holder subject to certain restrictions. The Company shall not redeem Class A Non-Voting Participating Series 1 shares of the Company if such redemption would cause the Company to cease being qualified as a mortgage investment corporation pursuant to the provisions of the *Income Tax Act* (Canada). Pursuant to the redemption rights Preferred Class A Non-Voting Series 1 shares are classified as financial liabilities.

During the year ended September 30, 2018, the Company issued 922,594 Preferred Class A Non-Voting Series 1 shares for gross proceeds of $922,594 of which $130,219 is receivable at September 30, 2018. No Preferred Class A Non-Voting Series 1 shares were issued during the period from incorporation on September 21, 2017 to September 30, 2017.

Preferred Class B Voting Non-Participating shares

The Preferred Class B Voting Non-Participating shares are voting but do not participate in the profits of the Company. The issued Class B Voting Non-Participating shares are not subject to calls, assessments, pre-emptive rights or conversion rights.

During the year ended September 30, 2018, there were no Preferred Class B Voting Non-Participating shares issued. During the period from incorporation on September 21, 2017 to September 30, 2017, the Company issued 11 Preferred Class B Voting Non-Participating shares for gross proceeds of $11, of which $11 is included in subscriptions receivable as at September 30, 2018 and 2017.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

(b) Issued (Continued)

As at September 30, 2018, the Company had the following Preferred Class A Non-Voting Series 1 shares outstanding:

	Number of Preferred Shares		Value of Preferred Shares
Balance, September 30, 2017	-	$	-
Preferred share subscriptions	922,594		922,594
Balance, September 30, 2018	922,594	$	922,594

8. SEGMENT INFORMATION

The Company operates in Canada in one business segment, being investment in mortgages receivable.

9. EVENT AFTER THE REPORTING PERIOD

Subsequent to the year ended September 30, 2018, the Company issued 10,726 Preferred Class A Non-Voting Series 1 shares for $10,726 as a stock dividend. Cash dividends of $12,198 were also paid for total distributions to Preferred Class A Non-Voting Series 1 shareholders of $12,198, representing 2018 net income before distributions. Distributions to Preferred Class A Non-Voting Series 1 shareholders are presented as an expense in the statements of operations and comprehensive income.

Item 13 – DATE AND CERTIFICATE

Dated: **January 15, 2019**

This Offering Memorandum does not contain a misrepresentation.

The Issuer

(signed) NITESH PRAKASH
President
(*de facto* chief executive officer and chief financial officer)

On Behalf of the Directors

(signed) HARMANDEEP S. SIDHU
Director

(signed) HARPREET S. DHILLON
Director