

I8Form 45-106F6

British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

Terrapin Mortgage Investment Corp.
PO Box 49214, Four Bentall Centre
Suite 2200 – 1055 Dunsmuir Street
Vancouver, British Columbia V7X 1K8
Phone: (604) 684-8277
www.tmic.ca

Item 2: Reporting issuer status

Terrapin Mortgage Investment Corp. is not a reporting issuer.

Item 3: Issuer's industry

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

- | | |
|---|--|
| ☐ Bio-tech | Mining |
| ☐ Financial Services | ☐ exploration/development |
| ☐ investment companies and funds | ☐ production |
| ☒ mortgage investment companies | ☐ Oil and gas |
| ☐ Forestry | ☐ Real estate |
| ☐ Hi-tech | ☐ Utilities |
| ☐ Industrial | ☐ Other (describe) |
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Item 4: Insiders and promoters of non-reporting issuers

Full name, municipality and country of principal residence	All positions held	Number and type of securities of the issuers beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchase under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities
Jeffrey Morgan, CPA, CA Burnaby, Canada	President and Director	750 common shares, 206,499 Class A preferred shares	\$207,249
Kenneth W. Mahon, FCPA, FCA, Vancouver, Canada	Chairman and Director	1,000 common shares, 12,681,368 Class A preferred shares	\$12,852,868
Kevin K. Mahon, West Vancouver, Canada	Treasurer and Director	400 common shares, 1,659,530 Class A preferred shares	\$1,659,930
Randolph Pratt, CPA, CA Richmond, Canada	Director	250 common shares	\$250
David Posnikoff North Vancouver, Canada	Director	2,822,426 Class A preferred shares, 500,000 Class B preferred shares	\$3,339,016
Jeff Wolrige, Vancouver, Canada	Secretary and Director	250 common shares; 200,000 Class A preferred shares	\$200,250

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

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

Distribution dates: May 10, 2016 through May 17, 2016

Item 6: Number and type of securities

For each security distributed:

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

(a) Non-voting redeemable preferred shares with a par value of \$1.000 per share

(b) Four Hundred Ninety Six Thousand Six Hundred Twenty Three Class A Preferred Shares and One Million Three Hundred Ninety Seven Thousand Two Hundred Ninety Eight Class B Preferred Shares

(c) n/a

Item 7: Geographical information about purchasers

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

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	4	\$1.0136 per share	1,787,448.44
Total number of Purchasers	4		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$1,787,448.44

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

Item 8: Information about purchasers

Instructions

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

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

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

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

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

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Cannon Properties Ltd. 1305 Cypress Street Vancouver, BC V6J 3L1 John Cannon (604) 314-5155	N/A	1,400,000 Class A Preferred Shares	\$1,400,000.00	2.5 (1)	2016-05-11
Ellis Investments Ltd. 3236 W. 31st Avenue Vancouver, BC V6L 2A7 Greg Ellis (604) 340-5909	N/A	180,000 Class A Preferred Shares	\$182,448.00	2.5 (1)	2016-05-17

Commissions and finder's fees

Item 9: Commissions and finder's fees

No parties have received compensation in connection with this distribution

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

Certificate

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

Date: **May 20, 2016**

Terrapin Mortgage Investment Corp.

Name of [issuer/underwriter] (please print)

Jeff Morgan, Director, 604-687-8277

Print name, title and telephone number of person signing

Jeff Morgan

Signature

Instruction

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

Item 10: Contact information

Any questions regarding the contents of this report may be directed to the attention of Melanie Zeegers at 604-684-8277 Ext 4324 or email: melaniez@tmic.ca

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

Notice - Collection and use of personal information

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

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393
Facsimile: (604) 899-6581