OFFERING MEMORANDUM

This Offering Memorandum constitutes a private offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus, advertisement or public offering of the securities referred to herein. ***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 "Risk Factors"****. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada. The securities offered hereunder will be issued under exemptions from the registration and prospectus requirements of the applicable securities laws of the Province of British Columbia and the rules, regulations and policies thereunder and will be subject to certain resale restrictions. These securities will not be offered for sale in the United States of America.*

February 28, 2020 **Continuous Offering**

METROPOINTE MORTGAGE INVESTMENT CORPORATION
Suite 400, 15336 – 31st Avenue
Surrey, British Columbia V3Z 0X2
Email:info@metmic.com
Telephone: (604) 449-1700
Fax: (604) 576-2138

$1.00 per Class B Preferred Share

Minimum Subscription: $25,000 (25,000 Preferred Shares)

Metropointe Mortgage Investment Corporation (the "Company") is a private mortgage investment corporation incorporated under the *Business Corporations Act* (British Columbia) on November 3, 2011.

The Company is offering on a private placement basis up to a maximum of $25,000,000 Class B Preferred Non-Voting Shares (the "Preferred Shares") in the capital of the Company at an initial price of $1.00 per Preferred Share (the "Offering"). Each Preferred Share represents a beneficial interest in the profits of the Company, which will principally be comprised of quarterly dividends paid in cash or in shares of the Company.

The Offering is being made with reliance on certain exemptions from the registration and prospectus filing requirements available under the securities laws of the Province of British Columbia. As a result, the Preferred Shares offered herein will be subject to the applicable resale restrictions under these laws. You will be restricted from selling your securities for an indefinite period. See "Resale Restrictions". There are certain risk factors inherent in an investment in the Preferred Shares and in the activities of the Company. See "Risk Factors".

Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under "Subscription Procedure" and to the right of the Company to close the subscription books at any time without notice. The Offering is continuous and Preferred Shares will be available for sale. Purchasers will have two business days to cancel their agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, purchasers will have the right to sue either for damages or to cancel their agreement to purchase these securities. See "Subscription Procedure" and "Purchasers' Rights".

DISCLAIMERS

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the securities offered hereby. Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their professional advisors to assess the business, legal, income tax and other aspects of this investment. The securities offered hereby will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by the Company. Any subscription for the securities offered hereby made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, will be solely at the risk of such person.

This Offering Memorandum is confidential. By their receipt hereof, prospective Subscribers agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein.

OFFERING MEMORANDUM
Dated February 28, 2020
for
METROPOINTE MORTGAGE INVESTMENT CORPORATION

Offering of Class B Preferred Non-Voting Shares up to a Maximum of $25,000,000

Date:	February 28, 2020
The Issuer	
Name:	**Metropointe Mortgage Investment Corporation (**the **"Company")**
Head office:	Suite 400, 15336 – 31st Avenue Surrey, British Columbia V3Z 0X2 Phone No. 604.449.1700 E-mail address: info@metmic.com Fax No. 604.576.2138
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:	Redeemable, non-voting Class B Preferred Shares with a par value of $1.00 each (the "**Preferred Shares**")
Price per security:	$1.00 per Preferred Share (the "**Subscription Price**")
Minimum/Maximum offering:	There is no minimum. The maximum is $25,000,000. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish the Company's proposed objectives.
Minimum Subscription Amount:	The minimum number of Preferred Shares that may be subscribed for by any one Subscriber is 25,000 Preferred Shares at a subscription price of $1.00 per Preferred Share for a total of $25,000. For subsequent investments by existing holders of Preferred Shares there is no minimum investment amount. The Company reserves the right to change the minimum amount at any time and from time to time.
Payment terms:	The full subscription price is payable upon subscription, by certified cheque, electronic transfer or bank draft payable to "Metropointe Mortgage Investment Corporation". See Item 5.2 "Subscription Procedure".
Proposed closing date(s):	The closing of the sale of the Preferred Shares offered hereunder will take place at such times as are chosen by the Company (each, a "Closing"). The Corporation reserves the right to close the Offering at any time as subscriptions are received.
Income Tax consequences:	There are important tax consequences to these securities (see Item 6 "Income Tax Consequences and RRSP Eligibility").
Selling agent:	On February 15, 2019, the Company applied on behalf of Metropointe Capital Inc., a related entity, to act as the Company's exempt market dealer to sell its Preferred Shares pursuant to exemptions from the prospectus requirements. Upon Metropointe Capital Inc. being registered as an exempt market dealer, the Company intends to retain Metropointe Capital Inc. as its exempt market dealer to sell its Preferred Shares. The Preferred Shares must be sold by a registered securities dealer or exempt market dealer that is registered with the securities regulatory authority in the applicable jurisdiction, which is engaged by the Company to sell its Preferred Shares. The Company may pay a sales fee to registered securities dealers and exempt market dealers, subject to negotiation (see Item 7 "Compensation Paid to Seller's and Finder's").
Resale restrictions	As there is no market for the Preferred Shares, it may be difficult or even impossible to sell them. Preferred Shares are subject to resale restrictions and you will be restricted from selling your Preferred Shares for an indefinite period (see Item 10 "Resale Restrictions"). However, you may elect to redeem any or all of your Preferred Shares at certain times if you follow the procedures established (see Item 5 "Terms of Preferred Shares – Redemption Rights").
Purchaser's rights	You have 2 business days to cancel your agreement to subscribe for Preferred Shares. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 "Purchasers' Rights".
	No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment (see Item 8 "Risk Factors").

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GLOSSARY

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.

"**Affiliate**" or "**Affiliates**" has the same meaning as in the B.C. Securities Act;

"**B.C. Securities Act**" means the *Securities Act* (British Columbia), with all amendments thereto in force from time to time and any statutes that may be passed which have the effect of supplementing or superseding such statute;

"**Business Day**" means a day other than a Saturday, Sunday or any day on which the principal office of the Company's bankers located in Vancouver, British Columbia, is not open for business during normal banking hours;

"**Calculation Date**" means the last day of the Company's Fiscal Year;

"**Closing**" means a closing of the sale of Preferred Shares as the Company may determine from time to time;

"**Date of Closing**" means in respect of any Preferred Shares the date upon which the subscription for such Preferred Share is accepted by the Company;

"**Dividend Payment Date**" means a date, selected by the Directors of the Company in their sole discretion that falls within 90 days of the Calculation Date; however, if the Directors of the Company determine to declare dividends at the end of every fiscal quarter, such date will fall within 30 days of each fiscal quarter end;

"**Fiscal Year**" means each consecutive period of 12 months ending on September 30;

"**Loans**" means the portfolio of short to medium-term loans in which the Company will invest the net proceeds from the issuance of Preferred Shares pursuant to this Offering Memorandum;

"**MIC**" means a mortgage investment corporation as defined in subsection 130.1(6) of the Tax Act;

"**Mortgage**" or "**Mortgages**" means a mortgage, a mortgage of a mortgage or a mortgage of a leasehold interest (or other like instrument, including an assignment of or an acknowledgement of an interest in a mortgage), hypothecation, deed of trust, charge or other security interest of or in Real Property used to secure obligations to repay money by a charge upon the underlying Real Property;

"**Mortgage Broker**" means a party licensed under the Mortgage Brokers Act;

"**Mortgage Brokers Act**" means the *Mortgage Brokers Act* (British Columbia), with all amendments thereto in force from time to time and any statutes that may be passed which have the effect of supplementing or superseding such statute;

"**Net Subscription Proceeds**" means the gross proceeds to the Company from the sale of the Preferred Shares less the costs of this Offering and the Sales Fee;

"**Offering**" means this offering of up to 25,000,000 Preferred Shares;

"**Preferred Share**" means a Class B Preferred Share in the capital of the Company;

"**Preferred Shareholder**" means those investors whose subscriptions to purchase Preferred Shares are accepted by the Company and thereafter at any particular time the persons entered in the central securities register of the Company as holders of Preferred Shares and the singular form means one such registered holder;

"**Real Property**" means land, rights or interest in land (including without limitation leaseholds, air rights and rights in condominiums, but excluding Mortgages) and any buildings, structures, improvements and fixtures located thereon;

"**Securities Authority**" means the British Columbia Securities Commission and any other applicable provincial securities commission;

"**Subscriber**" means a subscriber for Preferred Shares;

"**Subscription Form**" means the subscription form to subscribe for Preferred Shares;

"**Subscription Price**" means $1.00 per Preferred Share; and

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.11, and the regulations promulgated thereunder, as amended from time to time.

CANADIAN CURRENCY

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

ITEM 1
USE OF AVAILABLE FUNDS

1.1 Net Funds

		Assuming Minimum Offering(1)	Assuming Maximum Offering(1)
A.	Amount to be raised by this offering.	$0	$25,000,000
B	Estimated Selling Commissions and Fees	$0	$0
C.	Estimated Costs of the Offering (e.g. Legal, accounting, audit)(2)	$40,000	$40,000
D.	Available Funds: D = A – (B + C)	($40,000)	$24,960,000
E.	Additional sources of funding required	$40,000(3)	$0
F.	Working capital deficiency	N/A	$0
G.	Total: G = (D + E) - F	$0	$24,960,000

(1) The Maximum Offering is $25,000,000 (25,000,000 Preferred Shares). There is no Minimum Offering.
(2) Offering Costs as shown are estimated expenses (currently estimated to be $40,000 if the Maximum Offering is achieved) of or incidental to the issue, sale and delivery of the Preferred Shares pursuant to this Offering, including, without limitation, fees and disbursements of legal counsel and accountants, printing and other administrative costs associated with marketing the Preferred Shares pursuant to this Offering Memorandum and the reasonable out-of-pocket expenses (including applicable taxes) of the Company in connection with such issue, sale and delivery.
(3) If necessary, the directors may lend and pay on behalf of the Company all costs incurred in connection with the preparation for and completion of the Offering, including legal and accounting fees which are estimated to be $40,000. All costs in connection with the Offering funded by the directors will be repaid, without interest from funds received by the Company from Subscribers or from income generated by the Company.

1.2 Use of Available Funds

The Net Subscription Proceeds will be invested primarily in Loans secured by Mortgages. Investments in such Loans will be made as set out in Item 2.2 “The Company’s Business - Investment Policies”. The Company will use its best efforts to make suitable investments of the Net Subscription Proceeds as soon as possible following each Closing.

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Investment in mortgages, other permitted investments and related administrative expenses	$0	$24,960,000
ANY OTHER USE	$0	$0
Total:	$0	$24,960,000

1.3 Reallocation

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

ITEM 2
BUSINESS OF THE COMPANY

2.1 Structure

The Company is a mortgage investment corporation as defined in the Tax Act and intends to continue to qualify as such. It was incorporated under the *Business Corporations Act* (British Columbia) on November 3, 2011 under Incorporation No. BC0924392. The Company's registered and records office is located at Royal Centre, 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7 and its head office is located at Suite 201, 15230 – 56th Avenue, Surrey, British Columbia V3S 5K7.

The Company does not have any subsidiaries or proposed subsidiaries.

The Company is registered to carry on business as a mortgage investment corporation (a "**MIC**") in the Province of British Columbia. The Company's investment policies require it to conduct its operations so as to qualify as a "*mortgage investment corporation*" as this term is defined under section 130.1 of the Tax Act. The Directors of the Company intend to refuse the registration of an allotment or transfer of the Company's shares which may result in the Company ceasing to meet such qualification.

2.2 The Company's Business

The Company

The Company is a MIC as that term is defined in section 130.1 of the Tax Act. It was incorporated for the purpose of generating a stable stream of income for investors, primarily by making Loans secured by Mortgages, thereby providing investors with an opportunity to participate indirectly in a portfolio of Mortgages. It has developed its mortgage investment business steadily since June 2012 and expects that demand for private mortgage financing will remain high as traditional institutional lenders keep their lending policies tight due to lingering caution following the global credit crisis.

The Tax Act provides that a MIC may invest its funds as it sees fit, provided that a MIC must not invest in mortgages on Real Property (land and buildings) situated outside of Canada or any leasehold interest in such property, debts owing by non-resident persons unless secured by Real Property situated in Canada or shares of corporations not resident in Canada. The Tax Act also provides that at least 50% of the cost amount of a MIC's property must consist of debts secured by mortgages or otherwise on "houses" or property included within a "housing project" (as those terms are defined by section 2 of the *National Housing Act* (Canada)) and money on deposit in a bank or credit union. No more than 25% of the cost amount of a MIC's property may be Real Property, including leasehold interests in Real Property (except for Real Property acquired by foreclosure or otherwise after default on a mortgage or other security).

The Company invests primarily in first and second mortgages each having a principal amount which, when added to the principal amount of prior mortgages, is generally not more than 80% of the appraised value of the Real Property against which they are secured. There may be instances in which the Company will invest in Loans with a higher or lower loan-to-value ratio if the directors of the Company determine that it is in the best interests of the Company to do so.

The Company is in the business of investing in Mortgages granted as security for Loans to a variety of borrowers, including builders, developers and owners of commercial, industrial and residential real estate located primarily in the Lower Mainland and Fraser Valley of British Columbia. To the extent that the Company's funds are not invested in Mortgages from time to time, they are held in cash deposited with a Canadian chartered bank or credit union or are invested in short term deposits, savings accounts or government guaranteed income certificates so that the Company may maintain a level of working capital for its ongoing operations considered acceptable by the directors of the Company. Subject to limitations and restrictions applicable to MICs that are contained in the Tax Act, the Company may make other permitted investments over time, including the direct ownership of Real Property (including Real Property acquired by way of foreclosure under Mortgages).

The Company's mortgage investment portfolio will be managed by the board of directors and all potential mortgage investments must be approved by the board of directors and any Loan approvals must be signed by two directors of the Company if under $250,000 and by three directors of the Company if over $250,000.

As a MIC, the Company is allowed to deduct dividends that it pays from its income. The Company intends to pay out all of its net income and net realized capital gains as dividends within the time period specified in the Tax Act and as a result does not anticipate paying any income tax (see Item 6 - "*Income Tax Consequences*").

The Company may fund its investments through equity financings or, by law, the Company may employ leverage, as permitted by applicable legislation, by issuing debt obligations up to a maximum of five (5) times its equity if at least 2/3 of its equity is in Canadian residential property or on deposit with qualifying financial institutions and three (3) times its equity if less than 2/3 of its equity is in Canadian residential property or on deposit with qualifying financial institutions. The Company does not currently have an operating line of credit, however, it may seek to obtain an operating line of credit in the future. If the Company obtains an operating line of credit, then it intends to borrow to the extent that the directors are satisfied that such borrowing and additional investments will increase the overall profitability of the Company.

Administration Services Provider

The Company does not have and does not expect to have any employees, and therefore, all mortgage administration and other ancillary services will be performed by Metropointe Capital Management Inc. (the "**Administrator**"), which will provide ongoing mortgage administration and other ancillary services relating to the Company's business pursuant to an Administrative and Services Agreement between the Company and the Administrator, dated February 1, 2015. The Administrator is responsible for processing and administering mortgage loans on behalf of the Company and handling the day to day administrative services for the Company's operations. The Administrator is an Affiliate of the Company.

Pursuant to the Administrative and Services Agreement, the Administrator will be paid an annual servicing and administration fee equal to 2% of the aggregate outstanding balance of the total assets of the Company (after deduction of provisions for losses), with such fee being calculated and payable monthly in arrears on the last day of each month.

The Administrator will provide mortgage administration and other ancillary services to the Company with such services to be rendered immediately and competently and with professional skill and acumen.

The Administrator is required to and shall:

(a) process and administer mortgage loans on behalf of the Company within parameters from time to time approved by the Board of Directors of the Company;
(b) undertake and be responsible for the day to day administration of the Company;
(c) provide financial services to the Company including administering general security agreements and other forms of security of the Company;
(d) provide monthly reports on the operation of the Company to the Board of Directors of the Company;
(e) communicate regularly with shareholders of the Company and answer any such shareholder queries;
(f) communicate regularly with mortgage brokers engaged in business with the Company and answer any such mortgage broker queries;

(g) prepare accounting information for the auditors of the Company;
(h) undertake any accounting task which shall reduce the accounting fees of the auditor;
(i) maintain the business premises of the Company for the conduct of its business; and
(j) perform other assignments related to the business and affairs of the Company as directed by its Board of Directors.

The Administrator shall furnish itself with all necessary administrative services including provision of office space, clerical staff and maintenance of books and records to the extent required to perform the duties and services set forth in the Administrative and Services Agreement.

In exercising its powers and discharging its duties under the Administrative and Services Agreement, the Administrator must carry out its duties fairly, honestly and in the best interests of the Company and must exercise the degree of care, diligence and skill that a reasonably prudent person experienced in the business of providing mortgage administration and ancillary services would exercise in comparable circumstances. The Administrator will not handle or deal with any trust funds on behalf of the Company or its investors. The Administrator is not liable to the Company for any loss caused by the Administrator in carrying out its duties under the Administrative and Services Agreement unless the loss resulted from the gross negligence, willful misconduct or dishonesty of the Administrator, its officers, employees or agents in the performance of its duties. The Company has agreed, under the terms of the Administrative and Services Agreement, to indemnify and save the Administrator harmless in the event that the Administrator suffers a loss of any nature whatsoever in connection with the performance of its duties under the Administrative and Services Agreement, except where such loss resulted from the gross negligence, willful misconduct or dishonesty of the Administrator or its officers, employees or agents.

The Company will reimburse the Administrator for all reasonable and necessary out-of-pocket disbursements excluding wages, office space and maintenance of books and records incurred by the Administrator in connection with the administration of the business of the Company.

The appointment of the Administrator shall be for a five year period and shall renew automatically for consecutive five year periods unless the Administrative and Services Agreement is otherwise terminated.

The Company may terminate the Administrative and Services Agreement if:

(a) the Administrator makes an assignment for the benefit of creditors or commences any action of bankruptcy within the meaning of the *Bankruptcy Act* (Canada);
(b) the Administrator assigns or purports to assign the Administrative and Services Agreement or any rights accruing thereunder without the prior written consent of the Company;
(c) the Administrator commits a breach or default under the Administrative and Services Agreement provided that such breach or default does not relate to any payment of monies to be paid by the Administrator to the Company, and the Administrator has not cured such breach or default within thirty (30) days after receiving written notice from the Company stipulating the breach or default;
(d) the Administrator fails to pay or refuses to pay monies it may owe to the Company; or
(e) by mutual consent in writing of the Company and the Administrator.

The Administrator may terminate the Administrative and Services Agreement if:

(a) the Company makes an assignment for the benefit of creditors or commences any action of bankruptcy within the meaning of the *Bankruptcy Act* (Canada);
(b) the Company assigns or purports to assign the Administrative and Services Agreement or any rights accruing thereunder without the prior written consent of the Administrator;
(c) the Company commits a breach or default under the Administrative and Services Agreement provided that such breach or default does not relate to any payment of monies to be paid by the Company to the Administrator, and the Company has not cured such

breach or default within thirty (30) days after receiving written notice from the Administrator stipulating the breach or default;

(d) at any time during the term of the Administrative and Services Agreement if the Administrator gives the Company six (6) months notice of its intention to terminate the Administrative and Services Agreement; or

(e) by mutual consent in writing of the Company and the Administrator.

In the event of termination of the Administrative and Services Agreement, the Administrative and Services Agreement and any agency created thereby shall terminate and be of no further force or effect and all rights or obligations of the Company and the Administrator shall cease. In addition, in the event of termination of the Administrative and Services Agreement, the Administrator shall return and deliver to the Company (or its authorized agent) all funds received by the Administrator in respect of all mortgages serviced thereunder and all documents, records, tax receipts, insurance policies, appraisals, correspondence, files and other documents in its possession pertaining to the mortgages serviced thereunder.

Mortgage Brokerage

The Company is registered as a Mortgage Broker with the British Columbia Financial Institutions Commission in accordance with the Mortgage Brokers Act.

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. 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.

Investment in Loans

The Company will seek out and originate Loans for investment and which are consistent with the investment and operating policies and objectives of the Company.

The Mortgages to be invested in by the Company are a common form of financing within the real estate industry. The standard documentation used with respect to Mortgages will provide that, in the event of a failure by the mortgagor to pay any amount owing under a Mortgage, the mortgagees will be entitled to enforce the Mortgage in accordance with applicable law. In the event of a failure by a mortgagor to make a payment of interest and/or principal when due, the mortgagees will immediately communicate with the mortgagor and, failing prompt rectification, will issue a notice of its intent to exercise the remedy or remedies which are available to the mortgagees which the Company considers appropriate. Typically, all legal costs, costs related to registration of Mortgages and costs relating to obtaining appraisals of Real Property, as allowed by law, will be for the account of the mortgagors.

The Mortgages are held by and registered in the name of the Company.

In addition, the Company will obtain standard security in respect of commercial Mortgages which, depending on the specific Mortgage, may include one or more of an assignment of rents, an assignment of insurance proceeds, an assignment of purchase agreements (on residential development projects) and a general security agreement.

The Company will invest in Mortgages secured primarily by residential Real Property but may invest in Mortgages secured by various other types of Real Property, including single-family dwellings, duplexes, townhouses, condominium units and other multi-family residential properties, subdivisions and construction projects and commercial property, small strata retail, industrial and office units/buildings. The Company will invest in Mortgages primarily in the Lower Mainland and Fraser Valley regions of British Columbia. Such Mortgages will comply with the investment policies of the Company. While it may make

Loans relating to property outside of such areas, it will in such cases alter its lending criteria in order to ensure protection of the capital from the Preferred Shareholders.

The Mortgages in which the Company invests will often be short term (i.e. with terms of one year or less), but will attempt to stagger the maturity dates in order to produce an orderly turnover of assets and liabilities. The Mortgages may be second or, in exceptional cases, subsequent ranking Mortgages. As well, the Company may invest, either alone or in participation with other lenders, in mezzanine and subordinated Mortgage debt for investment properties, which Mortgages may carry longer terms.

Investment Policies and Guidelines

The Company's goal is to maximize shareholder returns by investing in Loans to parties recommended by the Company's management. The Company will generally comply with the following policies and guidelines in order to accomplish this goal. These policies and guidelines are consistent with the provisions of the Tax Act and real estate legislation which apply to mortgage investment corporations generally. The following are the investment criteria to be applied when selecting Mortgages in which the Company will invest:

- The Company intends that the overall loan to value ratio of the Mortgages will not exceed 80% of the aggregate appraised values of the property (including prior ranking mortgages) which is mortgaged. However, in certain circumstances, and pursuant to stringent criteria established by the credit committee of the Company, the acceptable loan to value ratio may be increased to 85% (including prior ranking mortgages) for Loans that are secured with Mortgages on detached single family homes, apartments, townhouses, or duplexes located within the Lower Mainland region of British Columbia.
- The Company's management will analyze the credit score and personal net worth/income of all potential borrowers prior to agreeing to grant any Loans and the primary and secondary sources of repayment and the financial strength and ability to repay of the borrower must be fully assessed and approved by the Directors of the Company.
- The Company will require the borrower to confirm the current mortgage balance of any first mortgage if the Company is providing a second mortgage.
- In its discretion and depending on the circumstances, the Company may review the BC Assessment value of any property in respect of which it intends to make a Loan secured by a Mortgage, or may have a comparative market analysis completed.
- The Company will only make an investment in Mortgages where appraisals of the fair market value of the relevant property and all other relevant materials, including credit and financial reports in respect of the borrower, are satisfactory to the Directors of the Company.
- All potential Mortgage investments must be approved by the Directors of the Company and Loan approvals must be signed by two directors of the Company if under $250,000 and by three directors of the Company if over $250,000.
- Once the capital of the Company has exceeded $5,000,000, no single investment or related group of investments involving one property or development, or involving several properties or developments owned by one borrower and its affiliates, shall generally exceed 15% of the book value of the assets of the Company at funding unless firm takeout commitments are in place.
- The Company may hold Real Property acquired as a result of foreclosure where such foreclosure was necessary to protect the interests of the Company as a result of a default by the borrower. The Company will use its commercially reasonable efforts to dispose of such Real Property acquired on foreclosure.
- To the extent that, from time to time, the Company's funds are not invested in Loans, they will be held in cash deposited with a Canadian chartered bank or will be invested in short term deposits, savings accounts or government guaranteed income certificates or treasury bills so as to maintain a level of working capital for the Company's ongoing operations considered acceptable by the Directors of the Company.

- No funds will be loaned in respect of any property in which a director or officer of the Company has a direct or indirect interest.
- The Company will not make any investment that would result in its failing to qualify as a Mortgage Investment Corporation pursuant to the Tax Act.

If the Company has any temporary surplus cash, the Company holds such funds in short term deposits, savings accounts or government guaranteed income certificates.

If, due to a change in the provisions of the Tax Act or other legislation applicable to the Company, any of the foregoing policies, guidelines and restrictions require amendment in order to comply with such change in legislation, the Company may make such change and such change will be binding on the Company. In addition, the foregoing policies, guidelines and restrictions may be changed at any time (so long as such change complies with applicable legislation) if the change is determined by the Company to be required in order to ensure that the Company remains competitive in the making of the highest quality Loans being undertaken in the marketplace at the time of such change and is in the best interests of the Company.

Operating Policies

The Tax Act imposes certain restrictions on MICs and on investments made by MICs, which restrictions can be summarized as follows:

(i) The corporation must be a Canadian corporation.

(ii) The corporation must have at least 20 shareholders.

(iii) No shareholder can own more than 25% of the issued shares of any class of the corporation.

(iv) Except in limited circumstances, the corporation cannot manage or develop Real Property.

(v) The corporation cannot own shares of non-resident corporations.

(vi) The corporation cannot hold Real Property located outside of Canada.

(vii) The corporation cannot loan funds where the security is property located outside of Canada.

(viii) More than 50% of the cost of the corporation’s property must be invested in mortgages over residential properties or deposits with a qualifying financial institution.

(ix) No more than 25% of the cost of the corporation’s property can be invested in Real Property, except property acquired by foreclosure.

(x) The corporation must not exceed certain debt-to-equity ratios, which vary depending on the percentage of the cost of property invested in residential mortgages or on deposit with qualifying financial institutions. If less than two-thirds of the cost of the corporation’s property is invested in this manner, the debt-to equity ratio may not exceed three to one. If more than two-thirds of the cost of the corporation’s property is invested in this manner, then the allowable debt-to-equity ratio is five to one.

2.3 Development of the Business

The Company was incorporated on November 3, 2011 and has conducted the business of investing in Loans secured by Mortgages since June 2012. As at February 1, 2020, the Company has issued 33,828,214 Preferred Shares and has made Loans in the aggregate amount of $28,849,000.

Mortgage Portfolio

As at February 1, 2020, the Company's current portfolio of Mortgages consisted of 39 Loans ranging in value from $20,000 to $3,350,000 for a total aggregate principal amount of approximately $28,849,000. The mortgages securing the outstanding principal of these Loans are all registered against properties in British Columbia and carry interest rates ranging from 7.25% to 13.5%. Loan to value ratios vary across the Loans in the Company's portfolio, and are based on independent appraisals conducted prior to funding. All of the Loans currently in the Company's portfolio are short term Loans for periods of 12 months or less. The mortgage portfolio composition as of February 1, 2020 was as follows:

Total Mortgage Investments	$28,849,000	
First Mortgages	$12,821,500	44%
Second Mortgages	$16,027,500	56%
Residential Mortgages	$26,969,250	93%
Commercial Mortgages	$1,879,750	7%
Other	$0	0%
Average Loan to Value	34%	

The mortgage portfolio (based on total mortgages funded as of February 1, 2020) can be summarized in further detail as follows:

	Mortgage Type	Mortgage Position	Loan to Value	Mortgage LTV Range	Mortgage	Interest Rate
1	Residential	2nd	22%	53% to 75%	$475,000	10.50%
2	Residential	2nd	13%	62% to 75%	$400,000	11.00%
3	Residential	1st	66%	0% to 66%	$787,500	7.50%
4	Residential	2nd	5%	60% to 65%	$55,000	11.00%
5	Residential	2nd	14%	52% to 66%	$175,000	10.00%
6	Commercial	1st	64%	0% to 64%	$204,750	9.00%
7	Residential	1st	25%	0% to 25%	$550,000	8.25%
8	Residential	2nd	18%	56% to 74%	$375,000	10.00%
9	Residential	2nd	18%	49% to 67%	$625,000	12.00%
10	Commercial	2nd	32%	34% to 66%	$550,000	12.00%
11	Residential	2nd	20%	55% to 75%	$450,000	9.95%
12	Commercial	1st	75%	0% to 75%	$975,000	7.25%
13	Residential	2nd	13%	61% to 74%	$375,000	10.50%
14	Residential	2nd	7%	49% to 56%	$250,000	13.00%
15	Residential	2nd	10%	47% to 57%	$2,500,000	12.00%
16	Residential	2nd	20%	44% to 64%	$250,000	10.25%
17	Residential	2nd	19%	58% to 77%	$550,000	11.50%
18	Residential	2nd	34%	26% to 60%	$1,000,000	11.00%
19	Residential	2nd	23%	38% to 61%	$500,000	10.75%
20	Residential	1st	72%	0% to 72%	$675,000	8.25%
21	Residential	2nd	2%	72% to 74%	$20,000	10.50%
22	Residential	2nd	44%	31% to 75%	$1,300,000	10.50%

23	Residential	2nd	14%	65% to 79%	$230,000	10.50%
24	Residential	1st	75%	0% to 75%	$500,000	8.50%
25	Residential	1st	65%	0% to 65%	$285,000	9.00%
26	Commercial	2nd	21%	50% to 71%	$150,000	10.50%
27	Residential	2nd	9%	71% to 80%	$95,000	12.00%
28	Residential	1st	40%	0% to 40%	$2,000,000	9.00%
29	Residential	2nd	14%	61% to 75%	$207,500	13.50%
30	Residential	1st	57%	0% to 57%	$1,000,000	7.75%
31	Residential	2nd	25%	38% to 63%	$315,000	12.00%
32	Residential	2nd	28%	45% to 73%	$400,000	10.50%
33	Residential	1st	70%	0% to 70%	$1,250,000	10.00%
34	Residential	1st	75%	0% to 75%	$527,250	8.50%
35	Residential	2nd	27%	44% to 71%	$1,005,000	10.00%
36	Residential	2nd	25%	46% to 71%	$750,000	9.00%
37	Residential	1st	55%	0% to 55%	$717,000	8.75%
38	Residential	2nd	55%	9% to 64%	$3,025,000	8.99%
39	Residential	1st	60%	0% to 60%	$3,350,000	9.00%

The Company's dividends are paid quarterly and not guaranteed. The returns will fluctuate from year to year mainly due to the Company's ability to deploy its capital and avoid losses on its mortgage portfolio. The Company's ability to deploy its capital is influenced by the state of the Western Canada private mortgage market. The Western Canadian private mortgage market is influenced by factors such as the price of real estate, interest rates, lending competition for private mortgages, employment conditions and general economic activity. The Company's annualized return for 2019 was 8.14%.

The Company's annualized rate of return of the dividends paid to the holders of Preferred Shares for 2019 was 8.14%, which resulted in a distribution of dividends of $2,380,557 of which $671,283 was paid in cash from operating activities and the remaining $1,709,274 was reinvested in Preferred Shares through the reinvestment option.

The relationship between the Company's cash flows from operating activities and profit or loss, and its historical distributed cash can be summarized in further detail as follows:

	Cash Flow:	**Accumulated for the year ended Sept. 30, 2019**	**Previously completed fiscal years**	
			(2018)	**(2017)**
A.	Cash flows from operating activities	($358,778)	$113,113	($140,211)
	Add back changes in mortgages receivable	$3,117,532	$7,781,062	$4,904,838
		$2,758,754	$7,894,175	$4,764,627
B.	Profit or loss	$2,810,557	$1,943,277	$1,458,353
C.	Actual cash distributions paid or payable relating to the period	$671,283	$544,675	$386,791

D.	**Excess (shortfall) of cash flows from operating activities over cash distributions paid (A) – (C)**	**$2,087,471**	**$7,349,500**	**$4,377,836**
E.	**Excess (shortfall) of profit or loss over cash distributions paid (B) – (C)**	**$2,139,274**	**$1,398,602**	**$1,071,562**

The Company's loss provision as of February 1, 2020 was $430,000 (September 30, 2018: $Nil).

2.4 Long Term Objectives

The Company's long term objectives are:

(i) to provide the holders of Preferred Shares with a return that is superior to term deposits, GICs and money market funds, with due consideration to preservation of their capital;

(ii) to distribute income on an annual basis;

(iii) to maintain profitability on a sustainable basis;

(iv) to maintain the Company's status as an MIC under the Tax Act;

(v) to carry on lending activities in Canada, but primarily in British Columbia;

(vi) to offer Loans to suitable borrowers who may need slightly more financing than larger institutional lenders may from time to time be willing to provide; and

(vii) to expand the assets of the Company to a value exceeding $25,000,000 while maintaining a minimum annualized rate of return to investors of 6% to 8%, while maintaining a mortgage portfolio weighted average loan to value ratio of less than 80%.

The Company expects to complete subscriptions for Preferred Shares in the aggregate of approximately $25,000,000 subscriptions on an annual basis and to invest the net subscription funds in Mortgages as such funds are received. The Company will incur costs in connection with the Offering and in administering and placing Mortgages, which costs are expected to remain consistent with historical costs as shown on the Company's financial statements. The Company's income will primarily consist of interest received on the Mortgages, less the administration fee pursuant to the Administrative and Services Agreement. Subject to future events which may have an impact on the timing of such decisions, it is the current intention of the board of directors of the Company to continue operations for an indefinite period of time.

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

The Company's business objectives for the next 12 months are to complete the offering of up to 25,000,000 Preferred Shares pursuant to this Offering Memorandum and to invest the net subscription proceeds thereof in Loans secured by Mortgages. It is the intention of the Company that the net subscription proceeds of the Offering will be invested as quickly as is reasonably possible pursuant to the investment policies, to raise further equity capital and to optimize returns. The Company intends to meet the following objectives for the next 12 months as follows:

What we must do and how we must do it	Target completion date or if not known, number of months to complete	Our cost to complete
Raise at least $25,000,000 to fund further investments in mortgage Loans Provide Preferred Shareholders with sustainable income while preserving capital for distribution or re-investment by investing in Mortgages.	Since the Company has an ongoing investment program, there is no target completion date for its business plan.	Our costs to carry out our investment program generally consist of administration fees.

2.6 Insufficient Funds

The funds available as a result of the Offering may not be sufficient to accomplish all of the Company's proposed objectives and there is no assurance that alternative financing will be available.

2.7 Material Agreements

The following agreements are material to this Offering and to the Company, which are currently in effect:

Administrative and Services Agreement

A summary of the material provisions of the Administrative and Services Agreement, dated February 1, 2015, between the Company and the Administrator, which does not purport to be complete, is discussed above under "2.2 The Company's Business – Administration Services Provider".

A copy of the Administrative and Services Agreement referred to above may be inspected during normal business hours at the registered and records office of the Company at Royal Centre, 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7.

Agreement with The Mortgage Centre Axis Mortgage Corp.

On July 15, 2016, the Company and the Administrator entered into an agreement with The Mortgage Centre Axis Mortgage Corporation ("**Axis**"), whereby the parties confirmed the agreement that Axis will be entitled to 50% of any brokerage fees for transactions originated by Axis that are funded by the Company and that the Administrator or the Company, as the case may be, will be entitled to the other 50% of any brokerage fees. Axis' involvement with the Company shall be as originating broker for certain transactions and Axis is not obligated to direct all of its transactions to the Company.

Axis is a related party to the Company and the Administrator as Mr. Barinder Sekhon is a director of all three entities.

ITEM 3
DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The Company

The following table sets out information about each director, officer and promoter of the Company and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Company (a "**principal holder**").

NAME AND MUNICIPALITY OF PRINCIPAL RESIDENCE(1)	POSITIONS HELD (E.G. DIRECTOR, OFFICER, PROMOTER AND/OR PRINCIPAL HOLDER) AND THE DATE OF OBTAINING THAT POSITION	COMPENSATION PAID BY THE COMPANY (i) IN THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND (ii) ANTICIPATED TO BE PAID IN THE CURRENT FINANCIAL YEAR	NUMBER, TYPE AND PERCENTAGE OF SECURITIES OF THE COMPANY HELD (2) AFTER COMPLETION OF MINIMUM OFFERING	NUMBER, TYPE AND PERCENTAGE OF SECURITIES OF THE COMPANY HELD (2) AFTER COMPLETION OF MAXIMUM OFFERING
Barinder Sekhon Surrey, B.C.	Principal Holder Director and President of the Company November 3, 2011	(i) $Nil (ii) $50,000	150 Common Shares (25%) 198,448.51 Preferred Shares(3) (0.59%)	150 Common Shares (25%) 198,448.51 Preferred Shares(3) (0.34%)
Gurpinder Lally Surrey, B.C.	Principal Holder Director of the Company March 2, 2012	(i) $Nil (ii) $50,000	150 Common Shares (25%) 825,253.60 Preferred Shares(4) (2.44%)	150 Common Shares (25%) 825,253.60 Preferred Shares(3) (1.40%)
Lakhbir Toor Delta, B.C.	Principal Holder Director and Treasurer of the Company November 3, 2011	(i) $Nil (ii) $50,000	150 Common Shares (25%) 113,946.98 Preferred Shares (5) (0.37%)	150 Common Shares (25%) 113,946.98 Preferred Shares (5) (0.19%)
Sukhvir Gill Pitt Meadows, B.C.	Principal Holder Director and Vice-President of the Company November 3, 2011	(i) $Nil (ii) $50,000	150 Common Shares (25%) 855,378.16 Preferred Shares (6) (2.53%)	150 Common Shares (25%) 855,378.16 Preferred Shares (6) (1.45%)
Metropointe Capital Management Inc. (7) Surrey, B.C.	Administrator (since April 17, 2012)	(i) $303,647 (ii) $325,000	Nil	Nil

Notes:

(1) Information as to municipality of residence has been provided by the individual directors and promoters.

(2) Directly or indirectly

(3) This figure includes 1,237.66 Preferred Shares held directly by Barinder Sekhon and 197,210.85 Preferred Shares held by 1014853 B.C. Ltd., which is controlled by Barinder Sekhon.

(4) This figure includes 700,333.93 Preferred Shares held directly by Gurpinder Lally, 578.33 Preferred Shares held by Gurpinderjit S. Lally, Inc., which is controlled by Gurpinder Lally, 1,099.51 Preferred Shares held by 1014397 B.C. Ltd., which is controlled by Gurpinder Lally, 41,080.61 Preferred Shares held by each of Gurpinder Lally's children, Kaveer Lally, Avaani Lally and Jaanav Lally, over which Gurpinder Lally has control and direction.

(5) This figure includes 40,275.89 Preferred Shares, 45,648.86 Preferred Shares and 25,605.01 Preferred Shares held by Lakhbir Toor's daughters, Priya Toor, Syra Toor and Aaliyah Toor, respectively, over which Lakhbir Toor has control or direction, 1,621.32 Preferred

Shares held by SPLASH Investments Ltd., which is controlled by Lakhbir Toor, and 795.90 Preferred Shares held jointly by Lakhbir Toor and Sonia Toor, Lakhbir Toor's wife.

(6) This figure includes 484,283.26 Preferred Shares held directly by Sukhvir Gill and 371,094.90 Preferred Shares held by 1014371 B.C. Ltd., which is controlled by Sukhvir Gill.

(7) Metropointe Capital Management Inc. is indirectly controlled by Barinder Sekhon, Gurpinder Lally, Lakhbir Toor and Sukhvir Gill.

3.2 Management Experience

The following table sets out the principal occupations of the directors and senior officers of the Company over the past five years and any relevant experience in a business similar to the Company's:

Name	**Principal occupation and related experience**
Barinder Sekhon, Mortgage Broker *Director and President of the Company*	Mr. Sekhon has over 20 years of real estate finance experience in the residential, private and commercial market place. Over the last 20 years, Mr. Sekhon has arranged and funded millions of dollars in private mortgages with his investor database. With an excellent track record and extensive experience in the private lending industry, he has provided a competitive rate of return for his private lenders and investors. Mr. Sekhon is a licensed Mortgage Broker with FICOM, an Accredited Mortgage Professional with CAAMP and a member of the Mortgage Brokers Association of BC.
Gurpinder Lally, Accountant *Director of the Company*	Mr. Lally, a Chartered Professional Accountant, manages the Company and the Administrator. He oversees the mortgage portfolio, investor relations, and compliance. He is on the lending committee of the Company being involved in the review process of credit applications. Mr. Lally is a former partner with an accounting firm in Surrey, B.C. Throughout his 15 years of accounting experience, he provided assurance, taxation, consulting, and business advisory services to clients in a wide array of industries.
Lakhbir Toor, Accountant *Director and Treasurer of the Company*	Mr. Toor is a Chartered Professional Accountant and is currently a partner with an accounting firm in Surrey, B.C. His primary area of practice revolves around tax planning and tax compliance work for small to medium sized owner manager and family owned businesses including incorporated professionals. Mr. Toor has a special interest in real estate investment corporations and has been working with real estate investors for the past several years in the capacity of investment and tax advisory. Mr. Toor has been managing the accounting of the Company and advising on such matters as dividend policy. Mr. Toor is on the lending committee of the Company being involved in the review process of credit applications.
Sukhvir Gill, Businessperson *Director and Vice-President of the Company*	Mr. Gill, a Chartered Professional Accountant, is currently a partner with an accounting firm in Surrey, B.C. He has provided accounting, assurance, taxation and business advisory services to various owner managed businesses over the past 19 years. Mr. Gill has a special interest and broad experience in dealing with non-profit organizations and registered charities. Currently, Mr. Gill with his years of public practice experience, services clients from many different industries. Mr. Gill has been managing investor relations of the Company and advising on such matters as dividend policy. Mr. Gill is on the lending committee of the Company being involved in the review process of credit applications.

3.3 Penalties, Sanctions and Bankruptcy

(a) There has been no penalty or sanction that has been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years, against:

(i) a Director, executive officer or control person of the Company; or

(ii) an issuer of which a person referred to in 3.3(a)(i) above was a director, executive officer or control person at that time.

(b) There has been no 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, that has been in effect during the last 10 years with regard to any:

(i) Director, executive officer or control person of the Company; or

(ii) issuer of which a person referred to in 3.3(b)(i) above was a director, executive officer or control person at that time.

3.4 Loans

The Company presently has no outstanding loans or debentures. There are no debentures or loans due to or from the directors, management, promoters or principal holders of the Company.

ITEM 4
CAPITAL STRUCTURE

4.1 Capital Structure

The following are the details of the capitalization of the Corporation at February 1, 2020:

DESCRIPTION OF SECURITY	NUMBER AUTHORIZED TO BE ISSUED	NUMBER OUTSTANDING AS AT February 1, 2020	NUMBER OUTSTANDING AFTER MINIMUM OFFERING	NUMBER OUTSTANDING AFTER MAXIMUM OFFERING
Class “A” Common Voting Shares (1)	Unlimited	600	600	600
Class “B” Preferred Shares (2)	Unlimited	33,828,214 (3)	33,828,214 (4)	58,828,214 (4)

Notes:

(1) The common shares are voting but non-participating. The issued common shares are not subject to calls, assessments, pre-emptive rights or conversion rights. There are no provisions attached to such shares for redemption, cancellation, surrender, sinking funds or purchase funds. There are 4 holders of the common shares of the Company which include Barinder Sekhon, Gurpinder Lally, Lakhbir Toor, and Sukhvir Gill who hold in aggregate 600 common shares of the Company. Only the holders of common shares are entitled to vote in respect of each common share held at all meetings of the shareholders of the Company.

(2) Complete details of the attributes and characteristics of the Class “B” Preferred Shares are set forth under the heading “Terms of Preferred Shares”.

(3) The Class “B” Preferred Shares were issued at a price of $1.00 per Class “B” Preferred Share.

(4) Assuming a minimum Offering of nil Class “B” Preferred Shares and a maximum Offering of 25,000,000 Class “B” Preferred Shares.

4.2 Long Term Debt

The Company presently has no long term debt. However, in the future the Company may maintain a line of credit secured by a general pledge of Mortgage with a Canadian chartered bank or credit union.

4.3 Prior Sales

Within the last 12 months, the Company has issued the following Preferred Shares:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
December 6, 2018	Preferred Shares	581,623.00	$1.00	$581,623.00
December 18, 2018	Preferred Shares	300,000.00	$1.00	$300,000.00
December 19, 2018	Preferred Shares	189,409.00	$1.00	$189,409.00
December 31, 2018	Preferred Shares	90,701.00	$1.00	$90,701.00
December 31, 2018	Preferred Shares	447,500.49	$1.00	$447,500.49
January 18, 2019	Preferred Shares	217,186.00	$1.00	$217,186.00
March 8, 2019	Preferred Shares	921,682.00	$1.00	$921,682.00
March 29, 2019	Preferred Shares	25,000.00	$1.00	$25,000.00
March 29, 2019	Preferred Shares	463,614.70	$1.00	$463,614.70
April 15, 2019	Preferred Shares	439,718.00	$1.00	$439,718.00
May 15, 2019	Preferred Shares	450,500.00	$1.00	$450,500.00
June 28, 2019	Preferred Shares	437,898.59	$1.00	$437,898.59
July 12, 2019	Preferred Shares	239,538.00	$1.00	$239,538.00
August 9, 2019	Preferred Shares	689,597.00	$1.00	$689,597.00
September 6, 2019	Preferred Shares	1,612,559.00	$1.00	$1,612,559.00
September 27, 2019	Preferred Shares	264,810.00	$1.00	$264,810.00
September 30, 2019	Preferred Shares	360,260.12	$1.00	$360,260.12
October 7, 2019	Preferred Shares	225,000.00	$1.00	$225,000.00
October 10, 2019	Preferred Shares	275,000.00	$1.00	$275,000.00
October 30, 2019	Preferred Shares	100,000.00	$1.00	$100,000.00
November 28, 2019	Preferred Shares	100,000.00	$1.00	$100,000.00
December 9, 2019	Preferred Shares	650,000.00	$1.00	$650,000.00
December 19, 2019	Preferred Shares	185,000.00	$1.00	$185,000.00
December 19, 2019	Preferred Shares	459,329.00	$1.00	$459,329.00
December 23, 2019	Preferred Shares	6,000.00	$1.00	$6,000.00
December 31, 2019	Preferred Shares	419,829.33	$1.00	$419,829.33
January 2, 2020	Preferred Shares	62,848.00	$1.00	$62,848.00
January 23, 2020	Preferred Shares	196,282.00	$1.00	$196,282.00
January 27, 2020	Preferred Shares	250,000.00	$1.00	$250,000.00

Within the last two fiscal years, the Company has redeemed the following Preferred Shares.

Date of redemption	Type of security redeemed	Number of securities redeemed	Price per security	Total funds paid
October 01, 2017	Preferred Shares	158,648.08	$1.00	$158,648.08
October 12, 2017	Preferred Shares	654,880.61	$1.00	$654,880.61
October 30, 2017	Preferred Shares	341,439.84	$1.00	$341,439.84
November 27, 2017	Preferred Shares	510,000.00	$1.00	$510,000.00
January 11, 2018	Preferred Shares	164,755.24	$1.00	$164,755.24
March 13, 2018	Preferred Shares	681,990.63	$1.00	$681,990.63
March 28, 2018	Preferred Shares	56,029.86	$1.00	$56,029.86
June 4, 2018	Preferred Shares	41,297.56	$1.00	$41,297.56
July 7, 2018	Preferred Shares	365,000.00	$1.00	$365,000.00
August 8, 2018	Preferred Shares	1,524,000.00	$1.00	$1,524,000.00

Date of redemption	Type of security redeemed	Number of securities redeemed	Price per security	Total funds paid
September 17, 2018	Preferred Shares	13,819.38	$1.00	$13,819.38
November 13, 2018	Preferred Shares	80,130.15	$1.00	$80,130.15
December 24, 2018	Preferred Shares	165,710.44	$1.00	$165,710.44
January 28, 2019	Preferred Shares	44,948.80	$1.00	$44,948.80
February 25, 2019	Preferred Shares	112,000.00	$1.00	$112,000.00
March 28, 2019	Preferred Shares	410,107.15	$1.00	$410,107.15
April 18, 2019	Preferred Shares	824,429.92	$1.00	$824,429.92
May 23, 2019	Preferred Shares	1,503,028.09	$1.00	$1,503,028.09
June 13, 2019	Preferred Shares	186,365.86	$1.00	$186,365.86
July 4, 2019	Preferred Shares	118,374.85	$1.00	$118,374.85
August 6, 2019	Preferred Shares	659,726.06	$1.00	$659,726.06
September 30, 2019	Preferred Shares	80,000.00	$1.00	$80,000.00
December 31, 2019	Preferred Shares	1,596,707.38	$1.00	$1,596,707.38

During its most recently completed financial year ended September 30, 2019, the Company received requests to redeem 4,184,821.32 Preferred Shares. In addition, subsequent to the fiscal year ended September 30, 2019, the Company received requests to redeem 1,596,707.38 Preferred Shares. The Company honored all of these redemptions and redeemed an aggregate of 5,781,528.70 Preferred Shares. The Company used funds available from current operations and from proceeds from the issuance of Preferred Shares to honor these redemptions.

During the financial year ended September 30, 2018, the Company received requests to redeem 4,511,861.20 Preferred Shares. The Company honored all of these redemptions and redeemed an aggregate of 4,511,861.20 Preferred Shares. The Company used funds available from current operations and from proceeds from the issuance of Preferred Shares to honor these redemptions.

ITEM 5
SECURITIES OFFERED

5.1 Terms of Preferred Shares

The Company is offering up to 25,000,000 Preferred Shares at a $1.00 per Preferred Share. Subscribers must subscribe for an initial minimum of 25,000 Preferred Shares, and thereafter, the Company will permit subscriptions in increments of less than 25,000 Preferred Shares, including single Preferred Shares. The Company reserves the right to change the minimum amount at any time and from time to time.

On February 15, 2019, the Company applied on behalf of Metropointe Capital Inc., a related entity, to act as the Company's exempt market dealer to sell its Preferred Shares pursuant to exemptions from the prospectus requirements. Upon Metropointe Capital Inc. being registered as an exempt market dealer, the Company intends to retain Metropointe Capital Inc. as its exempt market dealer to sell its Preferred Shares.

The Preferred Shares must be sold by a registered securities dealer or exempt market dealer that is registered with the securities regulatory authority in the applicable jurisdiction, which is engaged by the Company to sell its Preferred Shares.

The Preferred Shares have a par value of $1.00 and have the following material terms:

Voting

The Preferred Shares are non-voting and the holders of the Preferred Shares are not entitled to receive notice of or to attend any general meetings of the shareholders of the Company.

Dividends

Subject to the terms of the Articles of the Company, each Preferred Share entitles its registered holder to participate on a pro rata basis with the other Preferred Shareholders in dividends as determined by the Board of Directors. The Preferred Shares shall rank in priority to the Common Shares in respect to the payment of dividends. The amount of dividends declared and paid by the Company shall not exceed the amount that pursuant to clause 130.1(1)(a)(i) of the Tax Act is deductible in computing the Company's income for the year and up to twice the amount that pursuant to clause 130.1(1)(a)(ii) of the Tax Act is deductible in computing the Company's income for the year. Any distributions made by way of dividends declared on the issued and outstanding Preferred Shares will be subject to the provisions of the *Business Corporations Act* (British Columbia).

Such dividends, if any, will be declared and paid within 90 days of the end of such fiscal year. However, the Board of Directors may determine to declare dividends at the end of every fiscal quarter, and such dividends, if declared, will be paid within 30 days of each fiscal quarter end. Preferred Shareholders may elect to receive such dividends as cash or reinvested as additional shares. Dividends reinvested as additional shares will qualify for dividend entitlement for the entire year and dividends taken as cash will not be eligible for further dividend or interest consideration.

For greater certainty, although the Company intends to pay dividends on the applicable Dividend Payment Date, each distribution declared pursuant to the Articles of the Company constitutes a binding obligation of the Company on the applicable calculation date. To the extent distributions are calculated in respect of a period and payable at the end of such period, if for any reason, including the dissolution or winding up of the Company, such period is not completed or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened period and be payable at the end of such shortened period.

The Company intends to distribute all of the net income and net realized capital gains, if any, of the Company to Preferred Shareholders by way of dividends, so that the Company will not be liable to pay income tax pursuant to the Tax Act during any year.

Liquidation or Winding Up

The holders of the Preferred Shares shall, on a winding up or liquidation of the Company, be entitled to receive a sum equal to the par value of each Preferred Share together with all dividends declared and unpaid thereon in priority to any distribution to the holders of any other shares in the capital of the Company. Once such prior distribution has been made to the holders of the Preferred Shares and once a distribution equal to the par value of each Common Share issued and outstanding has been made to the holders of the Common Shares in accordance with the Articles of the Company, the holders of the Preferred Shares shall be entitled to participate equally with the holders of the Common Shares in any further distributions of the assets of the Company pro rata in accordance with the number of Preferred Shares held.

Redemption Rights

A person may, subject to the provisions of the *Business Corporations Act* (British Columbia), give to the Company irrevocable notice ("Redemption Notice") that he wishes to redeem pursuant to the provisions of the Articles of the Company, any or all of the Preferred Shares owned by him or his eligible owner. The Redemption Notice shall be sent by registered mail or delivered to the registered office of the Company.

The Company shall within eighteen (18) months after receipt of the Redemption Notice, purchase each applicable Preferred Share for an amount equal to the Redemption Amount.

The Redemption Amount for a Preferred Share shall be the sum of money equal to the net book value of that Preferred Share at the date of determination of the Redemption Amount plus all dividends declared and unpaid on the Preferred Share, provided, however, that if the most recent balance sheet of the Company as at such date of determination reported a deficit, the Redemption Amount shall be a sum of money equal to the par value of the Preferred Share plus all dividends declared and unpaid on the Preferred Share at the date of determination of the Redemption Amount, less a sum equal to the amount of such reported deficit divided by the number of Preferred Shares and Common Shares issued and outstanding at the date of the balance sheet upon which such deficit was reported. A Redemption Amount per Preferred Share shall be determined on the basis of the year-end statements for the year in which the Redemption Notice was received by the Company.

A redemption in accordance with Articles of the Company shall only be effected by the Company if the Company is not insolvent at the time that the redemption is to be effected and if the redemption would not render the Company insolvent and if such redemption does not affect the Company's status as a MIC under the terms of the Tax Act. The provisions of the first paragraph above under the heading "Redemption Rights" do not apply if the Redemption Notice does not set out all the Preferred Shares owned by a person or his eligible owners. A valid Redemption Notice may not be withdrawn without the consent of the Board of Directors of the Company.

Upon payment in full of the Redemption Amount being made by the Company, the Preferred Shares specified in the Redemption Notice shall be redeemed and the certificate representing such shares shall be cancelled. If only a part of the shares represented by any certificate be redeemed, a new certificate for the balance of shares shall be issued at the expense of the holder. From and after the date of delivery of the Redemption Notice, the holder of the Preferred Shares specified for redemption in the Redemption Notice shall continue to be entitled to dividends and shall continue to be entitled to any other rights in respect of such share until payment in full of the Redemption Amount, at which time all rights in respect of such share shall become null and void. If payment in full of the Redemption Amount shall not be made by the Company, the rights of the holder of such shares shall remain unimpaired.

On Death of a Shareholder

Where a Preferred Shareholder dies and leaves no surviving spouse, the Company shall, within 90 days after the end of the fiscal year of the Company in which the death of such Preferred Shareholder occurred, and subject to the provisions of the *Business Corporations Act* (British Columbia), redeem all the Preferred Shares held by such deceased Preferred Shareholder by paying the "Redemption Amount" for each Preferred Share to such holders estate or his eligible owner.

Upon payment in full of the Redemption Amount referred to immediately above being made by the Company, the Preferred Shares owned by the estate of the deceased shareholder or held by the eligible owner of the deceased shareholder, shall be redeemed and any certificate representing such shares shall be cancelled.

Certificates

The Company has appointed Valiant Trust Company, which was acquired by Computershare Canada in 2015, as its registrar and transfer agent pursuant to a Registrar and Transfer Agent and Dividend Disbursing Agent Agreement, dated February 6, 2012, whereby the Company has determined to have Computershare issue Preferred Shares in book entry form under the Direct Registration System ("**DRS**") and all book entries are to be evidenced by DRS account statements issued to the applicable shareholder of Preferred Shares. No physical share certificates for Preferred Shares will be issued.

Constraints on Transferability

Except as where necessary to comply with the Articles of the Company, no Preferred Shares shall be transferred without the consent of the Directors expressed by a resolution of the Board of Directors and the directors may at any time in their absolute discretion decline to register any proposed transfer and shall not be required to disclose their reasons therefore.

The foregoing provision shall not apply in respect of any transfer or transfers by any person of his Preferred Shares to an eligible owner or the eligible owner of a person's spouse or the transfer of Preferred Shares held by his eligible owner to the eligible owner of his spouse and no transfer of Preferred Shares will be authorized unless the shareholders' Common Shares, if any have been issued, are transferred to or redeemed by the Company.

The Directors shall not consent to or approve a transfer of shares or cause the Company to allot, issue, sell, purchase or redeem shares unless immediately following said transfer, allotment, issue, sale, purchase or redemption, no one shareholder would hold more than 25% of the issued Preferred Shares in the capital stock of the Company and the number of (Common or Preferred) shareholders of the Company would not be reduced to less than 20, except that for the purpose of computing the number of shareholders of the Company only issued (Common or Preferred) shares shall be counted and that nothing in this paragraph shall prevent the Directors from giving their consent or approval to any transfer, allotment, issue, sale, purchase or redemption of shares which would not have the effect in the opinion of the Directors of disqualifying the Company as a MIC under the Tax Act.

See also Item 10 – "Resale Restrictions" for further restrictions on transferability of the Company's Preferred Shares.

5.2 Subscription Procedure

The Preferred Shares are being offered for sale in the Province of British Columbia pursuant to applicable securities legislation. The Preferred Shares are conditionally offered if, as and when subscriptions are accepted by the Company and subject to prior sale. Subscriptions for Preferred Shares will be received by the Company from the registered securities dealer or exempt market dealer with which the subscriber is dealing, subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Company may terminate this offering at any time. Closings may occur from time to time as determined by the Company.

The minimum initial investment in the Company is $25,000. There is no minimum subsequent investment required in the Company for existing Preferred shareholders. The Company reserves the right to change the minimum amount at any time and from time to time.

Subscriptions may be sent to the Company from the registered securities dealer or exempt market dealer with which the subscriber is dealing at the Company's principal office or such other address as specified by the Company by courier or telecommunication facilities.

The subscription price is payable upon subscription pursuant to the terms of the applicable subscription agreement(s), by certified cheque or bank draft in the amount of $1.00 per Preferred Share subscribed for, payable to "Metropointe Mortgage Investment Corporation". No financing of the subscription price will be provided by the Company. If the subscriber is investing through a registered plan (i.e. TSFA or RRSP), then the subscription funds should be made payable to the subscriber's registered plan trustee or administrator as the registered plan trustee/administrator will provide the subscription funds to the Company after the DRS statement representing the Preferred Shares has been received by the registered plan trustee/administrator.

Each prospective and qualified investor who desires to subscribe for Preferred Shares must:

(a) complete and sign the form of subscription agreement prescribed by the Company from time to time (the "Subscription Agreement") specifying the number of Preferred Shares being subscribed for (the Company reserves the right to use different forms of Subscription Agreements for different investors);

(b) complete and sign two copies of the Form 45- 106F4 — Risk Acknowledgement in the form attached to this Offering Memorandum as Schedule "A";

(c) if the investor is an "accredited investor" as defined in NI 45-106, complete and sign the accredited investor questionnaire attached to the Subscription Agreement;

(d) deliver payment of the subscription price for the Preferred Shares subscribed for to the registered securities dealer or exempt market dealer with which the subscriber is dealing by certified cheque or bank draft made payable to the Company; however, if the subscriber is investing through a registered plan (i.e. TSFA or RRSP), then the subscription funds should be made payable to the subscriber's registered plan trustee or administrator; and

(e) deliver to the registered securities dealer or exempt market dealer with which the subscriber is dealing the Subscription Agreement, Risk Acknowledgments and any other forms, declarations and documents as may be required to complete the subscription.

The Company will hold the subscription amount in trust until midnight on the second business day after the day on which the signed Subscription Agreement is received. The Company will return all consideration to the subscriber if it exercises the right to cancel the Subscription Agreement within the prescribed time.

Upon acceptance, the subscription price for the Preferred Shares will be deposited in a designated bank account. Upon the Preferred Shares having been issued, the subscription price will be made available to the Company for use in its business as set out in this Offering Memorandum. Confirmation of the acceptance of a subscription will be forwarded by the Company to (i) the subscriber, or (ii) the registered plan trustee or administrator, as applicable.

The Company is not obligated to accept any subscriptions, and will reject any subscription which the Company considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the Company will notify (i) the subscriber, or (ii) the registered plan trustee or administrator, as applicable, and with respect to non-registered plan subscriptions, the Company will return the subscription funds to the subscriber, without interest.

The Preferred Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended, and subject to certain exceptions, may not be offered or sold in the United States.

Qualified Investors

The Company is offering for sale 25,000,000 Preferred Shares on a continuous basis in the Province of British Columbia by way of private placement.

The offering is being conducted in the Province of British Columbia pursuant to the exemptions from the prospectus requirements afforded by Sections 2.9, 2.3, 2.5 and/or 2.10 of NI 45-106.

- The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors in British Columbia, purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a risk acknowledgement in the prescribed form.

- The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors in British Columbia purchasing as principal and who are "accredited investors" as defined in NI 45-106.

- The exemption pursuant to Section 2.5 of NI 45-106 is available for distributions to investors in British Columbia purchasing as principal who are "family, friends and business associates" as set out in Section 2.5 of NI 45-106.

- The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to investors in British Columbia who are not individuals and who are purchasing as principal and acquiring Preferred Shares with an acquisition cost to the Subscriber of not less than $150,000 paid in cash at the time of Closing.

The foregoing exemptions relieve the Company from the provisions of the applicable securities laws of the Province of British Columbia which otherwise would require the Company to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Preferred Shares will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

Trading and Resale Restrictions

This offering of Preferred Shares is made only on a private placement basis to investors who are eligible to purchase on an exempt basis under, and subject to compliance with, applicable securities laws. **There is no market for the Preferred Shares. The transferability of the Preferred Shares will also be subject to resale restrictions under applicable securities laws.** The Company will be entitled to require and may require, as a condition of allowing any transfer of any Preferred Share, the transferor or transferee, at their expense, to furnish to the Company evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the Company) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

The Company is not a reporting issuer in any of the Provinces of Canada and does not intend to become a reporting issuer in any Province of Canada. The Preferred Shares will be subject to resale restrictions under applicable securities laws which restrict the transfer of Preferred Shares. Notwithstanding such resale restrictions, and subject to approval by the Company, investors will be able to transfer Preferred Shares to another person pursuant to another exemption from the prospectus and registration requirements of applicable securities laws, or pursuant to an order permitting such trade granted by applicable securities regulatory authorities.

This Offering Memorandum and all subscription documents should be reviewed by prospective Subscribers and their professional advisers prior to subscribing for Preferred Shares.

ITEM 6
INCOME TAX CONSEQUENCES AND RRSP / TFSA ELIGIBILITY

Caution

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

6.1 General

In the opinion of management of the Company, the following sets out a summary of the principal Canadian federal income tax consequences of acquiring, holding and disposing of the Preferred Shares by a Subscriber who, at all relevant times, is a resident of Canada, deals with the Company at arm's length, and who acquires and holds the Preferred Shares as capital property. Subscribers to whom the Preferred Shares might not constitute capital property may elect, in certain circumstances, to have such property treated as capital property by making the election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to any Preferred Shareholder which is a "financial institution" as defined in section 142.2 of the Tax Act, or to any holder of Preferred 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 Preferred Shares including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

6.2 Status as a Mortgage Investment Company

This summary is based on the assumption that the Company qualifies as a mortgage investment corporation under section 130.1(6) of the Tax Act. The Company will qualify as a mortgage investment corporation throughout a taxation year of the Company if throughout that taxation year:

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

(b) the Company's only undertaking is the investing of funds and it did not manage or develop any Real Property;

(c) no debts are owed to the Company that are secured on Real Property situated outside of Canada;

(d) no debts are owed to the Company by non-residents, other than debts secured on Real Property situated in Canada;

(e) the Company does not own shares of any company not resident in Canada;

(f) the Company does not own Real Property located outside of Canada or any leasehold interest in such property;

(g) the Company has at least 20 shareholders (except that the Company is deemed to comply with this requirement throughout its first taxation year if it complies with it on the last day of its first taxation year);

(h) no person is a "specified shareholder" of the Company, 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 the Company;

(i) any Holders of preferred shares of the Company 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 to participate pari passu with the holders of common shares in any further payment of dividends;

(j) the cost amount of the Company's 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 it of all of its 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 the Company) owned by the Company does not exceed 25% of the cost amount to it of all of its property; and

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

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

6.3 Taxation of the Company

As a mortgage investment corporation, the Company will, in computing its taxable income, generally be entitled to deduct the full amount of all taxable dividends (other than capital gains dividends) which it pays during the year or within 90 days after the end of the year to the extent that such dividends were not deductible by the Company in computing its income for the preceding year. As a mortgage investment corporation is deemed to be a public company the Company cannot pay capital dividends. However, a mortgage investment corporation may declare a capital gains dividend in an amount equal to the gross amount of its capital gains and is entitled to deduct a portion of such dividend from its taxable income. A capital gains dividend election will need to be made within the allowable time period. As discussed below, a capital gains dividend is taxed in the hands of a Preferred Shareholder as a capital gain arising from a notional disposition of capital property. The combination of the Company's deduction for capital gains dividends and the Preferred Shareholder's deemed capital gain will allow the Company to flow capital gains through to a Preferred Shareholder on a tax efficient basis. As it is deemed to be a public company, the Company will be subject to tax at the highest corporate rates. However, the Company intends to declare dividends and capital gains dividends each year in sufficient amounts to reduce its taxable income to nil.

6.4 Taxation of Preferred Shareholders

Dividends other than capital gains dividends which are paid by the Company on the Preferred Shares will be included in the income of a Preferred Shareholder as interest. Capital gains dividends received by a Preferred Shareholder will be treated as a realized capital gain, and will be subject to the general rules relating to the taxation of capital gains. The normal gross-up and dividend tax credit rules do not apply to dividends paid on Preferred Shares to individuals and trusts, and corporate holders of the Preferred Shares will not be entitled to deduct the amount of any dividends paid on their Preferred Shares from their taxable income.

The cost to a Subscriber of Preferred Shares acquired pursuant to the Offering will equal the purchase price of the Preferred Shares plus the amount of any other reasonable costs incurred in connection therewith. This cost will be averaged with the cost of all other Preferred Shares held by the Preferred Shareholder to determine the adjusted cost base of each Preferred Share.

A disposition or a deemed disposition of Preferred Shares (other than to the Company) will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition of the Preferred Shares exceed (or are exceeded by) the adjusted cost base of the Preferred Shares and the disposition costs. Amounts paid by the Company on the redemption or acquisition by it of a Preferred Share, up to the paid-up capital thereof, will be treated as proceeds of disposition. Any amount paid by the Company on the redemption or acquisition of a Preferred Share which is in excess of the paid-up capital of such Preferred Share will be deemed to be a dividend and will be included in the income of a holder of Preferred Shares, in accordance with the rules described above.

Fifty percent of any capital gain realized by a Preferred Shareholder (including capital gains deemed to be realized as a result of a receipt of a capital gains dividend) will be included in the Preferred Shareholder's income under the Tax Act as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss realized in a taxation year may be deducted against any taxable capital gains realized by the Preferred Shareholder in that year, in the three preceding taxation years or in any subsequent taxation year.

The taxable capital gains realized by a Preferred Shareholder that is an individual may give rise to alternative minimum tax depending upon the Preferred Shareholder's circumstances. A Preferred Shareholder that is a "Canadian-Controlled Private Corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 10⅔% on certain investment income, including amounts in respect of interest and taxable capital gains. The 10⅔% tax is to be added to such Preferred Shareholder's refundable dividend tax on-hand account and will be eligible for refund at a rate of $1.15 for every $3.00 of dividends paid by such Preferred Shareholder.

6.5 Eligibility for Investment by Deferred Plans

The Preferred Shares will be qualified investments for a trust governed by a registered retirement savings plan ("RRSP"), registered educational savings plan ("RESP"), deferred profit sharing plan ("DPSP"), registered retirement income fund ("RRIF"), or tax-free savings account ("TFSA") (collectively, a "Deferred Plan") at a particular time if the Company qualifies as a mortgage investment corporation under the Tax Act at such particular time and if throughout the calendar year in which the particular time occurs, the Company does not hold as part of its property any indebtedness, whether by way of Mortgage or otherwise, of a person who is an annuitant, a beneficiary, an employer, a subscriber, or a holder, as the case may be, of or under the relevant Deferred Plan or of any other person who does not deal at arm's length with that person. Deferred Plans will generally not be liable for tax in respect of any dividends received from the Company.

If the Company fails to qualify as a mortgage investment corporation at any time throughout a taxation year, shares of the Company may cease to be a qualified investment for a Deferred Plan. When a Deferred Plan holds a non-qualified investment, the Deferred Plan will be subject to a tax of 50% of the fair market value of the investment at the time it was acquired or at the time it became non-qualified. This tax of 50% is potentially refundable if the non-qualifying investment is disposed of by a certain time period.

If an RRSP, RRIF, or TFSA holds a non-qualified investment at any time during a particular year, the RRSP, RRIF or TFSA will also be subject to a tax under Part I of the Tax Act on income attributable to the non-qualified investment. RESPs which hold non-qualified investments can have their registration revoked.

Not all securities are eligible for investment in Deferred Plans. You should consult your own professional advisers to obtain advice on eligibility of these securities for investment in Deferred Plans.

In the opinion of the Company's management, the Preferred Shares, if issued on the date hereof and the investor, together with the other persons or companies with which the investor does not deal at arm's length with for purposes of the Tax Act, owns less than 10% of our shares, would be qualified investments under the Tax Act and the regulations thereunder for Registered Plans. In the opinion of the Company's management, the Preferred Shares, if issued on the date hereof, would not constitute 'foreign property' for the purpose of the tax imposed under Part XI 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. Our auditor, MNP LLP, provides an annual confirmation at each fiscal year-end (September 30) that the compliance requirements have been met.

Any dividends paid to a Registered Plan will be received on a tax-deferred basis whereby tax is not paid by you on such dividend until it is removed from the Registered Plan. Furthermore, until removed, any income earned on such dividends (for example, interest earned on the dividends) within a Registered Plan is earned tax-free.

The Company is making the income tax disclosure contained in this Item 6, but it makes no other warranties or representations, implied or otherwise, with respect to taxation issues. If the Company were not to qualify as a MIC, the income tax consequences would be materially different from those described in this Item 6.

ITEM 7
COMPENSATION PAID TO SELLERS AND FINDERS

Upon Metropointe Capital Inc. being registered as an exempt market dealer, the Company intends to retain Metropointe Capital Inc. as its exempt market dealer to sell its Preferred Shares and the Company intends to pay Metropointe Capital Inc. a 1% commission on the funds raised by Metropointe Capital Inc. for the purchase of the Preferred Shares.

Where lawfully permitted, the Company may pay a sales fee to other registered securities dealers and exempt market dealers, subject to negotiation.

ITEM 8
RISK FACTORS

There are certain risks inherent in an investment in the Preferred Shares and in the activities of the Company which investors should carefully consider before investing in the Preferred Shares, including: public market risk; general risks associated with Real Property ownership in the event that the Company has to foreclose on a mortgage; illiquidity of real estate investments in such a foreclosure situation; environmental liability; restrictions on redemptions of Preferred Shares; lack of availability of growth opportunities; potential conflicts of interest; legal rights attaching to Preferred Shares; availability of cash for distribution; fluctuations in cash distributions; the impact of redemptions on the availability of cash for distribution; risk in respect of the market price of Preferred Shares; dilution; the risk of the Company's reliance on key personnel; risk factors relating to the Company's tax status; and other tax related risk factors. The risks described below may not be the only risks involved with an investment in the Preferred Shares. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and Preferred Shareholders may lose some or all of their investment. Risks affecting the Company may affect the ability to make distributions on the Preferred Shares. In addition to the risk factors set forth elsewhere in this document, prospective purchasers should consider the following risks associated with a purchase of Preferred Shares. Purchasers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Preferred Shares.

Marketability of Preferred Shares

There currently is no market whatsoever for the Preferred Shares and it is not anticipated that any market will develop. Consequently, holders of such Preferred Shares may not be able to sell them readily, and Preferred Shares may not be readily accepted as collateral for a loan. Subscribers should be prepared to hold these Preferred Shares indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Preferred Shares is suitable solely for persons able to make and bear the economic risk of a long-term investment. See Item 10 "Resale Restrictions".

The Company does not presently intend to qualify its securities for sale to the public by way of prospectus.

The Preferred Shares are not Insured

The Company is not a member institution of the Canada Deposit Insurance Corporation and the Preferred Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. The Preferred Shares are redeemable at the option of the holder, but only under certain circumstances and due to the illiquid nature of mortgage lending, the Company may not be in a position to redeem the shares when requested by a Preferred Shareholder.

Prospectus Exemption

The Offering is being made pursuant to exemptions from the prospectus and registration requirements of applicable securities legislation (the "Exemptions"). As a consequence of acquiring the Preferred Shares offered hereby pursuant to such Exemptions and the fact that no prospectus has or is required to be filed with respect to any of the Preferred Shares offered hereby under applicable securities legislation in Canada: (i) you will be restricted from using certain of the civil remedies available under applicable securities legislation; (ii) certain protections, rights and remedies provided in such legislation will not be available to you; (iii) you may not receive information that might otherwise be required to be provided to you under such legislation; and (iv) the Company is relieved from certain obligations that would otherwise apply under such legislation.

Redemptions

The directors of the Company may determine that funds are not currently available for the payment of the redemption price of any Preferred Shares in respect of which the Preferred Shareholder has requested a Redemption, in which case the Company may elect to delay payment or pay the redemption price for such Preferred Shares.

Speculative Investment

An investment in the Preferred Shares is speculative. Investment in the Preferred Shares should be considered only by investors who are able to make a long term investment and are aware of the risk factors involved in such an investment. You should only invest in the Preferred Shares if you are able to bear the risk of the entire loss of your investment and have no need for immediate liquidity in such investment.

Absence of Voting Rights

The Preferred Shares being sold under this Offering do not carry voting rights, and consequently a Subscriber's investment in Preferred Shares does not carry with it any right to take part in the control or management of the Company's business, including the election of directors.

In assessing the risks and rewards of an investment in the Preferred Shares, potential Subscribers should appreciate that they are relying solely on the good faith, judgment and ability of the directors, officers and employees of the Company to make appropriate decisions with respect to the management of the Company, and that they will be bound by the decisions of the Company's directors, officers and employees. It would be inappropriate for Subscribers unwilling to rely on these individuals to this extent to purchase the Preferred Shares under this Offering.

No Guaranteed Return

Although investments in Mortgages will be carefully chosen by the Company, there is no representation made by the Company that such investments will have a guaranteed return to Preferred Shareholders, nor that losses will not be incurred by the Company in respect of such investments. This Offering is not suitable for investors who cannot afford to assume significant risks in connection with their investments.

Dilution

The number of Preferred Shares the Company is authorized to issue is unlimited and the Directors have the sole discretion to issue additional Preferred Shares. The proceeds of this offering may not be sufficient to accomplish all of the Company’s proposed objectives. In addition to alternate financing sources, the Company may conduct future offerings of Preferred Shares in order to raise the funds required which will result in a dilution of the interests of the Preferred Shareholders in the Company and the income or loss from the Company.

Less than Full Offering

There can be no assurance that more than the minimum Offering will be sold. In that case, less than the maximum proceeds will be available to the Company and, consequently, their business development plans and prospects could be adversely affected, since fewer Mortgage Loans will be granted by the Company.

Conflicts of Interest

The Administrator and the Company are Affiliates and negotiations between them have not been, and will not be, conducted at arm’s length. Therefore, the Company will be subject to various conflicts of interest arising from its relationship with the Administrator, Affiliates of the Administrator, and the officers and directors thereof. In addition, there may be situations where the interests of the Company or its Shareholders conflict with the interests of the officers and directors of the Administrator. The risk exists that such conflicts will not be resolved in the best interests of the Company and the Preferred Shareholders. However, in accordance with the Administrative and Services Agreement the Administrator is bound by its duty to deal honestly and in good faith.

Upon Metropointe Capital Inc.’s registration as an exempt market dealer, certain individual registrants of Metropointe Capital Inc. will also be directors and officers of the Company, and are also compensated through the Administrative and Services Agreement between the Company and Metropointe Capital Management Inc. (“MCMI”), which the directors and officers of Metropointe Capital Inc. are also directors and officers of MCMI as described in this offering memorandum. Accordingly, Metropointe Capital Inc. faces an inherent conflict of interest to sell the Preferred Shares of the Company, which provides compensation to Metropointe Capital Inc. as well as indirectly to MCMI, and Metropointe Capital Inc.'s registrant obligations, including know-your-client, know-your-product, suitability, and its fair dealing duty.

Reliance on Management

To the extent that the Company invests in real estate properties, Preferred Shareholders will be relying on the good faith and expertise of the Company and its principals in selecting such investments and negotiating the pricing and other terms of the agreements leading to the acquisition of such investments.

Nature of Mortgage Backed Investments

Investments in Mortgages are affected by general economic conditions, local real estate markets, demand for leased premises, fluctuation in occupancy rates and operating expenses, and various other factors. The value of a real estate property may ultimately depend on the credit and financial stability of the tenants. Investments in Mortgages are relatively illiquid. Such illiquidity will tend to limit the Company's ability to change its portfolio promptly in response to changing economic or investment conditions. Investments in Mortgages on residential Real Property projects under development may be riskier than investments in Mortgages on already constructed residential Real Property developments.

Availability of Mortgage Investments

The ability of the Company to make investments in Mortgages in accordance with its investment policies will depend upon the availability of suitable investments and the amount of Mortgages available. The Company will compete with individuals, partnerships, companies, trusts and institutions for the investment in the financing of real properties. Many of these competitors have greater resources than the Company or operate with greater flexibility.

Renewal of Mortgages

There can be no assurances that any of the mortgages comprising the Company's mortgage portfolio from time to time can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. With respect to each mortgage comprising the mortgage portfolio, it is possible that the mortgagor, the mortgagee or both, will not elect to renew such mortgage. In addition, if the mortgages in the mortgage portfolio are renewed, the principal balance of such renewals, the interest rates and the other terms and conditions of such mortgages will be subject to negotiations between the mortgagors and the mortgagees at the time of renewal.

Composition of the Mortgage Portfolio

The composition of the Company's mortgage portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in the mortgage portfolio being less diversified than anticipated. A lack of diversification may result in the Company being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, industry or geography.

Competition

The Company will be competing for investments with individuals, corporations and institutions (both Canadian and foreign) which are seeking or may seek investments similar to those desired by the Company. Many of these investors will have greater financial resources than those of the Company, or operate without the investment or operating restrictions of the Company or according to more flexible conditions. An increase in the availability of investment funds and an increase in interest in such investments may increase competition for those investments, thereby increasing purchase prices and reducing the yield on the investments.

Changes in Legislation

There can be no assurance that income tax laws and government incentive programs relating to the real estate industry will not be changed in a manner which adversely affects the Company or distributions received by its security holders.

Borrowing

The Company may from time to time borrow funds to increase the mortgage portfolio. Borrowings would be secured by Mortgages in the Company's portfolio. This could increase the risk of the Company's insolvency.

Subordinate and Non-Conventional Financing

Any subordinate financing which may be carried on by the Company is generally considered a higher risk than primary financing. Mortgages will be secured by a charge which is in a first or subsequent-ranking position upon or in the underlying real estate. When a charge on a Real Property is in a position other than first-ranking on a Real Property, it is possible for the holder of a prior charge on the Real Property, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the Real Property in order to realize the security given for his loan. Such actions may include a foreclosure action, or an action forcing the Real Property to be sold. A foreclosure action may have the ultimate effect of depriving any person having other than a first-ranking charge the security of the Real Property. If an action is taken to sell the Real Property and sufficient proceeds are not realized from such sale to pay off all creditors who have prior charges on the property, the holder of a subsequent charge may lose his investment or part thereof to the extent of such deficiency, unless he can otherwise recover such deficiency from other property owned by the debtor. The Company may make investments in Mortgages where the loan exceeds 75% of the value of the Real Property which is mortgaged, which exceeds the typical investment limit for conventional mortgage lending.

Potential Liability under Environmental Protection Legislation

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, as the owner of real estate properties the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the properties. The failure to remove or remediate such substances, if any, may adversely affect the Company's ability to sell such a property or to borrow using a property as collateral.

Tax Matters

The return on the Preferred Shareholder's investment in the Preferred Shares is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Preferred Shareholders acquiring, holding or disposing of Preferred Shares.

If, for any reason, the Company fails to maintain its qualification as a mortgage investment corporation under the Tax Act, dividends paid by the Company on the Preferred Shares will cease to be deductible from the Company's income and the Preferred Shares may cease to be qualified investments for Deferred Plans. See Item 6 "Income Tax Considerations and RRSP / TFSA Eligibility".

For all of the aforesaid reasons and others set forth and not set forth herein, the Preferred Shares involve a certain degree of risk. Any person considering the purchase of the Preferred Shares should be aware of these and other factors set forth in this Offering Memorandum and should consult with his/her legal, tax and financial advisors prior to making an investment in the Preferred Shares. The Preferred Shares should only be purchased by persons who can afford to lose all of their total investment.

ITEM 9
REPORTING OBLIGATIONS

The Company is not a "reporting issuer" as that term is defined in applicable securities legislation, nor does it currently intend to become a reporting issuer and therefore obligations of the Company to publicly disclose documents is limited. However, Preferred Shareholders will receive quarterly statements reflecting their investment in the Company and quarterly dividend cheques, if applicable, and will receive yearly T5 tax returns for cash investment income.

The Company's fiscal year commences October 1 in each year and ends September 30 of the following year. The Company will prepare financial statements for each fiscal year in connection with an annual general meeting to be held as required by the *Business Corporations Act* (British Columbia), and provide them to shareholders within 120 days of the Company's fiscal year end.

Information about the Company's incorporation, amendments to its constating documents, Directors, officers, annual corporate filings and other corporate information can be obtained from the British Columbia Registry Services, 2nd Floor – 940 Blanshard Street, (PO Box 9431 Stn. Prov. Govt.) Victoria, British Columbia V8W 9V3 (Telephone: 250.356.8626; Facsimile: 250.356.8923.)

ITEM 10
RESALE RESTRICTIONS

Preferred Shares will be subject to resale restrictions under applicable securities laws. You will not be able to trade Preferred Shares unless you prepare and file a prospectus with applicable securities regulatory authorities or comply with an exemption from the prospectus and registration requirements under applicable securities legislation. Unless permitted under securities legislation, you cannot trade Preferred Shares before the date that is four months and a day after the date the Company becomes a reporting issuer in any Province or territory of Canada. The Company has no intention or plan to proceed with becoming a reporting issuer.

See "Trading and Resale Restrictions".

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.

The following summary is subject to the express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. Subscribers should refer to those provisions for the particulars of these rights or consult with a legal adviser.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the investor may have at law.

Two Day Cancellation Right for All Investors

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Company by midnight on the second business day after you sign the Subscription Agreement to buy the securities.

Statutory Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Memorandum, investors resident in British Columbia will have a statutory right to sue:

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

(b) for damages against the Company and every person who signs the Offering Memorandum or any amendment thereto.

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.

ITEM 12
FINANCIAL STATEMENTS

Please see the financial statements at September 30, 2019, attached hereto. The attached financial statements have been audited.

MetroPointe Mortgage Investment Corp.
Financial Statements
For the year ended September 30, 2019

Contents

Independent Auditor's Report

To the Shareholders of MetroPointe Mortgage Investment Corp.:

Opinion

We have audited the financial statements of MetroPointe Mortgage Investment Corp. (the "Company"), which comprise the statement of financial position as at September 30, 2019, and the statements of income and other comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Surrey, British Columbia

MNP LLP

February 19, 2020

Chartered Professional Accountants

MetroPointe Mortgage Investment Corp.
Statement of Financial Position
As at September 30, 2019

	2019	2018
Assets		
Cash	**2,754,059**	2,264,083
Interest receivable *(Note 6)*	**662,074**	231,530
Prepaid expenses	**45,391**	45,391
Advances to related parties	**2,594**	3,494
Mortgages receivable *(Note 7)*	**29,212,881**	26,443,434
Total assets	**32,676,999**	28,987,932
Liabilities		
Trade and other payables	**37,580**	48,395
Dividends payable *(Note 8)*	**144,918**	128,351
Prepaid mortgage interest	**3,542**	104,922
Directors' fees payable	**-**	46,149
Administrative fees payable	**-**	135,442
Redeemable preferred shares *(Note 9)*	**32,490,359**	28,524,073
Total liabilities	**32,676,399**	28,987,332

Events after the reporting period *(Note 10)*

	2019	2018
Equity		
Common shares *(Note 11)*	**600**	600
	32,676,999	28,987,932

Approved on behalf of the Board

"Gurpinder Lally"
Director

"Lakhbir Toor"
Director

	2019	*2018*
Revenue		
Interest income *(Note 12)*	**2,790,875**	2,148,644
Fees and other income	**388,088**	349,210
Total revenue	**3,178,963**	2,497,854
Operating costs		
Administrative fees *(Note 12)*	**303,647**	472,802
Advertising and promotion	**16,612**	17,948
Interest and bank charges	**1,338**	19,063
Office	**19,339**	21,290
Professional fees	**27,470**	23,474
	368,406	554,577
Operating profit	**2,810,557**	1,943,277
Other expense		
Provision for loss *(Note 7)*	**(430,000)**	-
Preferred shares dividend *(Note 8)*	**(2,380,557)**	(1,943,277)
	(2,810,557)	(1,943,277)
Profit (loss) for the year	**-**	-

The accompanying notes are an integral part of these financial statements

MetroPointe Mortgage Investment Corp.
Statement of Changes in Equity
For the year ended September 30, 2019

	Share capital	*Total equity*
Balance October 1, 2017	**600**	**-**
Balance October 1, 2018	**600**	**-**
Balance September 30, 2019	**600**	**-**

The accompanying notes are an integral part of these financial statements

MetroPointe Mortgage Investment Corp.
Statement of Cash Flows
For the year ended September 30, 2019

	2019	*2018*
Cash provided by (used for) the following activities:		
Operating activities		
Provision for credit losses	**430,000**	-
Changes in non-cash working capital accounts		
Interest receivable	**(512,460)**	(41,641)
Trade and other payables	**(10,815)**	18,969
Dividends payable	**16,568**	1,604
Prepaid mortgage interest	**(101,381)**	73,118
Directors' fees payable	**(45,248)**	22,382
Administrative fees payable	**(135,442)**	38,681
	(358,778)	113,113
Financing activities		
Proceeds from issuance of preferred shares and reinvested dividends	**8,151,107**	14,069,276
Redemption of preferred shares	**(4,184,821)**	(4,541,861)
	3,966,286	9,527,415
Investing activities		
Advances of mortgages receivable	**(11,441,750)**	(16,773,750)
Repayments of mortgages receivable	**8,324,218**	8,992,690
	(3,117,532)	(7,781,060)
Increase in cash resources	**489,976**	1,859,468
Cash resources, beginning of year	**2,264,083**	404,615
Cash resources, end of year	**2,754,059**	2,264,083

1. Reporting entity

MetroPointe Mortgage Investment Corp. (the “Company”) was incorporated under the British Columbia Corporations Act on November 3, 2011. The Company is domiciled in Canada and its registered office is 400-15336 31 Avenue, Surrey, British Columbia, V3Z 0X2.

The Company makes investments and operates its business at all times in such a manner as to qualify as a mortgage investment corporation ("MIC") under the provisions of the Canadian Income Tax Act. The Company derives its earnings from the receipt of mortgage interest and fees associated with the setup, renewal and discharge of mortgages.

2. Statement of compliance

The financial statements, along with comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements for the year ended September 30, 2019 were authorized for issuance by the Board of Directors of the Company ("Board") on February 19, 2020.

3. Basis of preparation

Basis of measurement

The financial statements have been prepared in the historical basis except for the revaluation of certain non-current assets and financial instruments. The principal accounting policies are set out in Note 5.

Functional and presentation currency

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

Significant accounting judgments, estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. These estimates and assumptions have been made using careful judgment; however, uncertainties could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are prepared based on management's best knowledge of current events and actions that the Company may undertake in the future. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively in comprehensive income in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below.

Mortgages receivable

The Company makes an estimate for determining whether the cash flows from mortgages investments represent solely payments of principal and interest (SPPI). The Company is also required to make assessments of the future expected losses on mortgage receivables. In particular, the measurement of credit risk to determine significant changes. The estimation of future cash flows and expected losses includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors. The assumptions used in the assessment of impairment are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Illiquid credit markets and volatile equity markets have increased the uncertainty inherent in such estimates and assumptions.

These estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated allowance for impairment losses could vary by a material amount.

4. Change in accounting policies

Standards and Interpretations effective in the current period

The Company adopted amendments to the following standards, effective October 1, 2018. Adoption of these amendments had no effect on the Company's financial statements.

- *IFRS 9 Financial instruments*

IFRS 9 Financial instruments

Effective October 1, 2018 (hereafter referred to as the "initial date of application"), the Company adopted IFRS 9 as issued in July 2014. The requirements of IFRS 9 are substantially different from those of IAS 39 *Financial instruments: recognition and measurement*. The new standard fundamentally alters the classification and measurement of financial assets subsequent to initial recognition, including impairment and incorporates a new hedge accounting model.

The key changes to the Company's accounting policies resulting from adoption of IFRS 9 are summarized below.

Classification of financial assets and financial liabilities

IFRS 9 requires financial assets be classified into one of three subsequent measurement categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss. Classification is based on the business model under which a financial asset is managed and the nature of its contractual cash flows. IFRS 9 eliminates the following IAS 39 classification categories: available-for-sale, held-to-maturity, and loans and receivables.

Derivatives embedded within host contracts that are financial assets in the scope of IFRS 9 are no longer separated from the host contract. Instead, the whole hybrid contract is assessed for classification in accordance with the above requirements.

The classification and measurement of financial liabilities is largely retained from IAS 39. However, under IAS 39, all fair value changes of liabilities designated under the fair value option were recognized in profit or loss. Under IFRS 9, the amount of change in fair value attributable to the Company's own credit risk is generally required to be presented in other comprehensive income.

Impairment of financial assets

IFRS 9 replaces the methodology under IAS 39 and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* of recognizing impairment losses when incurred with a forward-looking expected credit loss model which requires a more timely recognition of losses expected to occur over the contractual life of the financial asset. IFRS 9 uses a single model for recognizing impairment losses on financial assets. This model also applies to certain loan commitments, financial guarantee contracts, trade receivables and contract assets. Application of the IFRS 9 model results in earlier recognition of impairment losses than under IAS 39. Equity investments are no longer assessed for impairment as all equity investments are measured at fair value.

Transition

In accordance with the transitional provisions provided in IFRS 9, the Company has applied the changes in accounting policies resulting from the adoption of IFRS 9 retrospectively but has elected not to restate comparative figures. All comparative information presented and disclosed for the prior year reflects the requirements of IAS 39. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized directly in retained earnings and reserves as at October 1, 2018. Additional transitional provisions applied are described below.

Classification and measurement

For the purposes of determining the classification of financial assets, the business model test has been applied on the basis of facts and circumstances existing at the date of initial application with the resulting classification applied retrospectively.

Impairment

The credit risk at the date that a financial asset was initially recognized has been determined on the basis of reasonable and supportable information available without undue cost or effort. This has been compared to the credit risk at the date of initial application for the purpose of determining whether there has been a significant increase in credit risk.

4. Change in accounting policies *(Continued from previous page)*

For the purposes of this assessment, the Company has assumed that for low credit risk financial assets, credit risk has not increased significantly since initial recognition.

Initial application of IFRS 9

Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following tables present the measurement categories and carrying amounts under IAS 39 as at October 1, 2018 and the new measurement categories and carrying amounts under IFRS 9 for the Company's financial assets and financial liabilities as at October 1, 2018.

	IAS 39 classification	IFRS 9 classification	IAS 39 carrying amount	IFRS 9 carrying amount
Financial assets				
Cash	FVTPL (designated)	FVTPL (designated)	**2,264,083**	**2,264,083**
Interest receivable	Loans and receivables	Amortized cost	**231,530**	**231,530**
Mortgages receivable	Loans and receivables	Amortized cost	**26,443,434**	**26,443,434**
Prepaid expenses	FVTPL (designated)	FVTPL (designated)	**45,391**	**45,391**
Total financial assets			**28,984,438**	**28,984,438**
Financial liabilities				
Trade and other payables	Amortized cost	Amortized cost	**48,395**	**48,395**
Dividends payable	Amortized cost	Amortized cost	**128,351**	**128,351**
Liability component of redeemable preferred shares	Amortized cost	Amortized cost	**28,524,073**	**28,524,073**
Administrative fees payable	Amortized cost	Amortized cost	**135,442**	**135,442**
Directors' fees payable	Amortized cost	Amortized cost	**46,149**	**46,149**
Prepaid mortgage interest	Amortized cost	Amortized cost	**104,922**	**104,922**
Total financial liabilities			**28,987,332**	**28,987,332**

The impairment allowance, as measured under the impairment requirements of IAS 39, attributable to financial assets previously categorized as loans and receivables and now measured at amortized cost as at September 30, 2018 was $NIL. The loss allowance increased to $430,000 upon transition to the impairment requirements of IFRS 9 on the date of initial application.

5. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

5. Summary of significant accounting policies *(Continued from previous page)*

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments with original maturities of three months or less that are readily convertible into to known amounts of cash and which are subject to an insignificant risk of changes in value.

Mortgages receivable

The Company's business model is to manage mortgages and to collect principal and interest payments on mortgage investments. Mortgage investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the mortgage receivables are measured at amortized cost using the effective interest method, less any impairment losses.

At the end of each reporting period, impairment is assessed using an expected credit loss (ECL) approach. Under this approach the level of credit risk deterioration is assessed in a three-stage impairment model. The three stages are determined, and expected credit losses are assessed as follows:

Stage 1 - No significant increase to credit risk since initial recognition. 12-month expected credit losses are recognized.

Stage 2 - Significant increase in credit risk since initial recognition. Lifetime expected credit losses are recognized.

Stage 3 - Credit Impaired. Lifetime expected credit losses are recognized.

The Company is required to make assessments of the future expected losses on mortgage investments in Stage 1 and Stage 2 using forward-looking information, including macro-economic factors. Mortgage investments are transferred to Stage 3 when there is objective information that indicates that one or more events ("loss events") have occurred that have a negative effect on the estimated future cash flows of that asset.

The Company makes an estimate for determining whether the cash flows from mortgages receivable represent solely payments of principal and interest (SPPI). The estimation of future cash flows includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors.

The Company considers a number of past events, current conditions and forward-looking information to assess if there has been a significant increase or subsequent decrease in credit risk. To identify whether the credit risk of a mortgage investment has significantly increased since initial recognition, management will consider forward-looking information, including macro-economic factors as well as information related to the specific borrower, including the outstanding balance upon default, credit worthiness and changes in personal economic situation.

Determining if there was a significant increase or decrease in credit risk requires significant judgment. Management reviews the mortgage receivables and considers the credit risk to have increased when reasonable assurance no longer exists that the sole payments of principal and interest would be recoverable.

Loss provisions are recorded upon initial recognition of the mortgage receivables based upon expectations of future losses at the time. For Stage 1 mortgages, the Company will recognize a loss allowance equal to 12-month expected credit losses, if the credit risk at the reporting date has not increased significantly since initial recognition, representing the expected credit losses from default events that are possible within the next 12 months.

Under IFRS 9, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. However, based on historical experience, mortgages that were 30 day past due could be brought up to date with later payments. Therefore, this factor will not be used to identified mortgages above Stage 1.

The recognition of credit losses must be made for the remaining life of the mortgage receivables (lifetime expected credit losses) that are considered to have experienced a significant increase in credit risk (Stage 2) and for mortgage receivables that are credit impaired at the reporting date (Stage 3). The lifetime expected credit losses represent the expected loss in value due to possible default events over the life of the mortgage receivables weighted by the likelihood of a loss. At each reporting date, credit impaired mortgage receivables will be transferred to Stage 3 when there is objective information that the mortgage receivables are credit impaired.

5. **Summary of significant accounting policies** *(Continued from previous page)*

To determine whether a mortgage receivables is credit impaired, an event must be identified that has a detrimental impact on the estimated future cash flows.

The Company considers evidence of impairment for mortgage receivables in Stage 3 at a specific level on a mortgage-by-mortgage basis, and specific allowances are recorded if management determines that the mortgage receivables is impaired. In such cases, a specific provision is established to write-down the loan to the estimated future cash flows from the loan discounted at the loan's original effective interest rate. In cases where it is impractical to estimate the future cash flows, the carrying amount of the loan is reduced to its fair value calculated based on an observable market price.

Liability component of redeemable preferred shares

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. As such, Class B preferred shares, which are redeemable, are presented as a liability of the Company. The preferred shares are redeemable at a price equal to their original issue amounts plus the amount of dividends declared and unpaid and a pro-rata share of retained earnings at the time the redemption is paid out. Incremental costs directly attributable to the issue of preferred shares are recognized as a deduction from the liability.

Share capital

Common shares are classified as equity and presented at the value of the shares issued. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the Company, and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognized on an accrual basis by the effective interest method, using an effective interest rate which exactly discounts estimated future cash receipts to the net carrying amount of the financial asset over the asset's expected life.

Revenue from administration fees relating to the mortgage investments are deferred as unearned income and amortized over the term of the mortgage.

Income taxes

The Company is a Mortgage Investment Corporation as defined in Section 130.1(6) of the Canadian Income Tax Act and, as such, is not taxable on income which flows through to the shareholders in the form of dividends paid during the year or within 90 days of the end of the year. It is the Company's policy to flow such dividends out to the shareholders and as such have no taxable income for the year. Accordingly, no provision for corporate income taxes has been made in the accounts.

Fair value measurements

The Company classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Company to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

5. Summary of significant accounting policies *(Continued from previous page)*

Financial instruments

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial instruments are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of mortgages receivable and interest receivable.

- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.

- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets mandatorily measured at fair value through profit or loss.

- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets designated to be measured at fair value through profit or loss are comprised of cash and cash equivalents.

5. Summary of significant accounting policies *(Continued from previous page)*

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss. The entity does not hold any equity investments.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company’s claim to cash flows, and any features that modify consideration for the time value of money.

Reclassifications

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

For mortgages receivable, the Company records a loss allowance equal to the expected credit losses resulting from default events that are possible within the next 12-month period, unless there has been a significant increase in credit risk since initial recognition. For those financial assets for which the Company assessed that a significant increase in credit risk has occurred, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets’ contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts or requests to restructure loan payment schedules. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Loss allowances for expected credit losses are presented in the statement of financial position as follows:

- Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Refer to Note 14 for additional information about the Company’s credit risk management process, credit risk exposure and the amounts arising from expected credit losses.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

5. Summary of significant accounting policies *(Continued from previous page)*

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount. Transaction costs of equity transactions are treated as a deduction from equity.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability or a component classified as a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets.

The ‘amortized cost’ of a financial asset or financial liability is the amount at which the instrument is measured on initial recognition minus principal repayments, plus or minus any cumulative amortization using the effective interest method of any difference between the initial amount and maturity amount and adjusted for any expected credit loss allowance. The ‘gross carrying amount’ of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit losses.

Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or the amortized cost of the financial liability.

Where a financial asset has become credit-impaired subsequent to initial recognition, interest income is calculated in subsequent periods by applying the effective interest method to the amortized cost of the financial asset. If the asset subsequently ceases to be credit-impaired, calculation of interest income reverts to the gross basis.

6. Interest receivable

	2019	*2018*
Current:	**204,491**	114,125
Past due but not impaired:		
Past due less than 90 days	**223,348**	66,257
Past due more than 90 days	**316,151**	51,148
	743,990	231,530
Expected credit loss	**(81,916)**	-
	662,074	231,530

7. Mortgages receivable

The Company's portfolio consists of 50 mortgages (2018 - 55 mortgages) bearing interest at fixed rates that range from 7.25% to 13.50% (2018 - 7.25% to 13.00%), with an average rate of 10.21% (2018 - 10.22%). All mortgages are secured by real property to which they relate and by additional security in certain circumstances.

Total mortgages receivable are carried at the unpaid principal amount. On a periodic basis, management reviews the mortgage portfolio and the overall general real estate market to determine whether it is necessary to record an allowance for mortgage losses. Management may consider an allowance for potential future mortgage losses as deemed necessary, based on any payment arrears, known risks, historical mortgage loss and current economic conditions and trends. As at September 30, 2019, management has reviewed mortgages and interest receivable and determined that expected credit losses total $430,000.

As at September 30, 2019, management has classified two mortgages in the amount of $604,750 (2018 - $NIL) to be non-performing. Management does not believe further interest will be collected on the balance therefore interest will no longer be recorded on these non-performing loans.

			2019	*2018*
	Principal performing	**Principal non-performing**	**Net carrying value**	Net carrying value
Mortgages	28,526,215	604,750	**29,130,965**	26,443,434

Included in the the principal performing and principal non-performing is $348,084 (2018 - $NIL) of expected credit losses.

	Stage 1	**Stage 2**	**Stage 3**	***2019*** **Total**	*2018* Total
Residential land development properties	10,183,000	-	400,000	**10,583,000**	14,052,750
Commercial land development properties	3,700,000	-	204,750	**3,904,750**	4,779,750
Development land properties	11,625,000	-	-	**11,625,000**	5,050,000
Farm land development properties	250,000	-	-	**250,000**	250,000
Builders loans	2,454,500	-	-	**2,454,500**	1,737,500
Vacant lots	743,715	-	-	**743,715**	573,434
Total	28,956,215	-	604,750	**29,560,965**	26,443,434

During the year, $604,750 of mortgages outstanding were transferred from Stage 1 to Stage 3.

	2019	*2018*
Transfer from Stage 1 to Stage 2	**-**	-
Transfer from Stage 1 to Stage 3	**604,750**	-
Transfer from Stage 2 to Stage 3	**-**	-
	604,750	-

7. Mortgages receivable *(Continued from previous page)*

The changes in allowance for impairment losses for both mortgages and interest receivable are summarized as follows:

	Stage 1	Stage 2	Stage 3	***2019*** **Total**	*2018* Total
Residential land development properties	-	-	348,084	**348,084**	-
Total	-	-	348,084	**348,084**	-

As at September 30, 2019, the allowance for impairment losses is $430,000. The allowance represents $384,084 of management's estimate of the ECL on the mortgages receivable that have experienced a significant increase in credit risk since initial recognition (Stage 3). Management estimates the ECL for mortgages in Stage 1 to be insignificant. Management considered the collateral held, payment patterns, and historical results when determining this amount. $604,750 mortgage receivables were transferred to Stage 3 during the year.

As at September 30, 2019, there are eight mortgage receivables in foreclosure (2018 - no mortgages).

The following table represents the mortgages receivable by the mortgage type:

	2019	**%**	2018	%
Interest in first mortgages	**13,957,715**	**48%**	11,509,184	44%
Interest in second mortgages	**15,603,250**	**52%**	14,934,250	56%
	29,560,965	**100**	26,443,434	100
Allowance for impairment losses	**(348,084)**	-	**-**	-
Total	**29,212,881**	**100**	26,443,434	100

As at September 30, 2019, based on the contractual maturity date of the balance, 100% is expected to be repaid in 2020.

The following table presents the gross carrying amount of the mortgages receivable stated at amortized cost subject to IFRS 9 impairment requirements by internal risk ratings used by the Company for credit risk purposes.

The internal risk ratings present in the table below are defined as follows:

Category	**Loan to Value**	**Borrower Quality**	**Certainty of Repayment**	**Location**
Low	Low	Strong	High	Strong
Low to Medium	Low/Medium	Medium/Strong	High/Moderate	Medium/Strong
Medium	Medium	Medium	Moderate	Medium
Medium to High	Medium/High	Weak/Medium	Low/Moderate	Weak/Medium
High	High	Weak	Low	Weak

7. Mortgages receivable *(Continued from previous page)*

	Residential land development properties	Commercial land development properties	Development land properties	Farm land development properties	Builders loan	Vacant lots	2019 Total
Stage 1							
Low	8,333,000	3,700,000	9,125,000	250,000	667,000	536,215	**22,611,215**
Low to Medium	1,850,000	-	2,500,000	-	1,787,500	207,500	**6,345,000**
Medium	-	-	-	-	-	-	**-**
Medium to High	-	-	-	-	-	-	**-**
High	-	-	-	-	-	-	**-**
Stage 2							
Low	-	-	-	-	-	-	**-**
Low to Medium	-	-	-	-	-	-	**-**
Medium	-	-	-	-	-	-	**-**
Medium to High	-	-	-	-	-	-	**-**
High	-	-	-	-	-	-	**-**
Stage 3							
Low	400,000	204,750	-	-	-	-	**604,750**
Low to Medium	-	-	-	-	-	-	**-**
Medium	-	-	-	-	-	-	**-**
Medium to High	-	-	-	-	-	-	**-**
High	-	-	-	-	-	-	**-**
	10,583,000	3,904,750	11,625,000	250,000	2,454,500	743,715	**29,560,965**

As at September 30, 2019, eight mortgages were past due. Management has estimated expected credit losses on these mortgages of $348,084.

8. Dividends payable

The Company has declared dividends to the holders of Class B non-voting, participating, redeemable preferred shares, in accordance with the provisions for mortgage investment corporations in the Income Tax Act, where dividends paid within 90 days from the end of the fiscal period are deductible from the income of the Company. For the preferred shareholders, however, these dividends are taxed as interest income.

The Company declared dividends of $2,380,557 (2018 - $1,943,277); $0.0780 (2018 - $0.0933) per preferred share based on an average number of shares issued and outstanding.

9. Redeemable preferred shares

The Company has authorized unlimited Class B, non-voting, participating, redeemable, non-transferable preferred shares, with a par value of $1.00. At year-end, the issued and outstanding shares were 32,490,359 (2018 - 28,524,073). Directors shall not consent to allow any shareholder to hold more than 25% of the issued preferred shares. No preferred shares shall be transferred without the previous consent of the Board of Directors expressed by a resolution.

The Class A preferred shares are redeemable at $1 per share, their original issue amount, plus the amount of dividends declared and unpaid and a pro-rata share of retained earnings at the time notice of redemption is received.

During the year, the following share transactions occurred at $1 per share:

	2019	*2018*
Opening preferred shares liability	**28,524,073**	18,996,658
Subscriptions - Cash	**6,441,834**	12,670,674
Subscriptions - Dividend reinvestments	**1,709,274**	1,398,602
Redemptions	**(4,184,822)**	(4,541,861)
	32,490,359	28,524,073

10. Events after the reporting period

Subsequent to year-end, the Company committed to issue one mortgage totaling $3,350,000 at 9.00% per annum, for term of 12 months and repayable with the proceeds from the sales of the underlying property. The mortgage is secured by first and second charges on the underlying property.

Subsequent to year-end, $5,716,986 worth of mortgages were settled and repaid in full.

The Company issued 2,515,459 preferred shares subsequent to the period, for a total of $2,515,459 and a shareholder redeemed 1,746,707 preferred shares worth $1,746,707.

11. Common Shares

	2019	*2018*
600 Class A voting shares, with a par value of $1.00 (2018 - 600)	**600**	600

12. Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- During the year, the Company paid administrative fees of $303,647 (2018 - $472,802) to a company in which a director, who is also a common shareholder, holds a controlling interest. The Company pays 2.0% per annum (2018 - 2%) of the aggregate outstanding balance of the Company's total assets, after deduction of provisions for loss, for day-to-day operations, including administration of the Company's mortgage investments.

There are no commitments or guarantees attributed to the Company from the related parties at September 30, 2019.

13. Income tax

As of September 30, 2019, the Company has non-capital losses carried forward for income tax purposes of $NIL (2018 - $NIL). In computing the current year's income for tax purposes, the company deducted $2,380,557 (2018 - $1,943,277) of dividends within 90 days of the year end.

14. Financial instruments

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss to the Company because a counterparty to a financial instrument fails to discharge its contractual obligations. Credit risk primarily arises from interest and mortgages receivable.

Risk management process

The Company manages its credit risk by providing allowances for potentially uncollectible mortgages receivable, considering loan-to-value ratios.

Inputs, assumptions and techniques

Definition of default and assessments of credit risk

Financial instruments are assessed at each reporting date for a significant increase in credit risk since initial recognition. This assessment considers changes in the risk of a default occurring at the reporting date as compared to the date of initial recognition.

The Company considers mortgage receivables to be in default when contractual payments are more than 90 days past due or other objective evidence of impairment exists, such as notification from the borrower. This definition is consistent with the definitions used for the Company’s internal credit risk management practices and has been selected because it most closely aligns the definition of default to the Company’s past credit experience, and the covenants placed in standard borrowing contracts. Relatively few financial instruments subsequently return to performing status after a default has occurred under this definition without further intervention on the part of the Company.

Changes in credit risk are assessed on the basis of the risk that a default will occur over the contractual lifetime of the financial instrument rather than based on changes in the amount of expected credit losses or other factors. In making this assessment the Company takes into account all reasonable and supportable information available without undue cost or effort. The Company considers past due information of its balances and information about the borrower available through regular commercial dealings, such as requests for loan modifications.

The credit risk of a financial instrument is deemed to have significantly increased since initial recognition when contractual payments have exceeded 90 days past due, or other information becomes available to management. When a financial instrument is considered to have low credit risk, it is assumed that there has not been a significant increase in credit risk since initial recognition. Financial instruments are considered to have low credit risk when balances are less than 90 days overdue.

The Company identifies credit-impaired financial assets through regular reviews of past due balances and credit assessments of its customers. Credit-impaired financial assets are typically placed on the Company's watch list based on its internal credit risk policies. In making this assessment, the Company considers past due information of its balances and information about the borrower available through regular commercial dealings.

14. Financial instruments *(Continued from previous page)*

Measurement of expected credit losses

When measuring 12-month and lifetime expected credit losses, the Company prepares an analysis based on information available at the time of the credit losses. Forward-looking information is incorporated into the determination of expected credit loss by considering regional economic journals and forecasts, collecting information available from regular commercial dealings with its customers and other publicly available information and considering the effect such information could have on any assumptions or inputs used in the measurement of expected credit losses, determining significant increases in credit risk or identifying a credit-impaired financial asset.

Significant judgments, estimates and assumptions are required when calculating the expected credit losses of financial assets. In measuring the 12-month and lifetime expected credit losses, management makes assumptions about prepayments, the timing and extent of missed payments or default events. In addition, management makes assumptions and estimates about the impact that future events may have on the historical data used to measure expected credit losses.

Write-offs

Financial assets are written off when there is no reasonable expectation of recovery. The Company assesses that there is no reasonable expectation of recovery when the borrower has filed for bankruptcy and the trustee has indicated that no additional funds will be paid. Where an asset has been written off but is still subject to enforcement activity, the asset is written off but remains on a list of delinquent accounts. Where information becomes available indicating the Company will receive funds, such amounts are recognized at their fair value.

Exposure to credit risk

The following table sets out information about the credit quality of financial assets assessed for impairment under IFRS 9 Financial instruments. The amounts in the table, unless otherwise indicated, represent the assets' gross carrying amount.

The gross carrying amount of financial assets and exposure amount of loan commitments represents the maximum exposure to credit risk for that class of financial asset.

	2019		
	Lifetime ECL (not credit impaired)	*Lifetime ECL (credit impaired)*	*Total*
Mortgages receivable			
Stage One	**28,956,215**	**-**	**28,956,215**
Stage Two	**-**	**-**	**-**
Stage Three	**-**	**604,750**	**604,750**
Total gross carrying amount	**28,956,215**	**604,750**	**29,560,965**
Less: loss allowance	**-**	**348,084**	**348,084**
Total carrying amount	**28,956,215**	**256,666**	**29,212,881**
Interest receivable			
Stage One	**627,157**	**-**	**627,157**
Stage Two	**-**	**-**	**-**
Stage Three	**-**	**116,833**	**116,833**
Total gross carrying amount	**627,157**	**116,833**	**743,990**
Less: loss allowance	**-**	**81,916**	**81,916**
Total carrying amount	**627,157**	**34,917**	**662,074**

14. Financial instruments *(Continued from previous page)*

	2018		
	Lifetime ECL (not credit impaired)	*Lifetime ECL (credit impaired)*	*Total*
Mortgages receivable			
Stage one	26,443,434	-	26,443,434
Total gross carrying amount	26,443,434	-	26,443,434
Less: loss allowance	-	-	-
Total carrying amount	26,443,434	-	26,443,434
Interest receivable			
Stage one	231,530	-	231,530
Total gross carrying amount	231,530	-	231,530
Less: loss allowance	-	-	-
Total carrying amount	231,530	-	231,530

As at September 30, 2019, the maximum exposure to credit risk with respect to mortgages receivable without taking into account collateral held or other credit enhancements is $29,560,965 (2018 – $26,443,434). The Company holds first and second-ranking general security claims and property backed personal financial guarantees with respect to mortgages receivable. The collateral held mitigates credit risk.

Concentrations of credit risk

A credit concentration exists relating to mortgages receivable. Balances due from British Columbia represents 100% of total outstanding as at September 30, 2019 (2018 – 89%).

Amounts arising from expected credit losses

Reconciliation of the loss allowance

The following tables show a reconciliation of the opening to the closing balance of the loss allowance by class of financial instrument.

	Lifetime ECL (not credit impaired)	***Lifetime ECL (credit impaired)***	***Total***
Mortgages receivable			
Balance at October 1, 2017	-	-	-
Transfer to 12-month ECL	-	-	-
Balance at September 30, 2018	-	-	-
Balance at October 1, 2018	-	-	-
Changes in measurement model or assumptions	**-**	**348,084**	**348,084**
Balance at September 30, 2019	**-**	**348,084**	**348,084**

14. Financial instruments *(Continued from previous page)*

	Lifetime ECL (not credit impaired)	*Lifetime ECL (credit impaired)*	*Total*
Interest receivable			
Balance at October 1, 2017		-	-
Transfer to 12-month ECL		-	-
Balance at September 30, 2018		-	-
Balance at October 1, 2018		-	-
Changes in measurement model or assumptions		**81,916**	**81,916**
Balance at September 30, 2019		**81,916**	**81,916**

During the period, the Company recorded an impairment loss based on adoption of the expected credit loss method, as prescribed by IFRS 9 - Financial Instruments.

Changes in the gross carrying amount of financial instruments

There have been no significant changes in the gross carrying amount of financial instruments during the year. As such, there have been no changes to the gross carrying amount of the financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through lending policies that set minimum interest rates for its mortgages.

The Company is exposed to interest rate risk with respect to mortgages receivable, which are expected to be realized within one year, and which are subject to fixed interest rates. Based on current financial instruments, it is estimated that a 1.0% shift in the prime interest rate would not effect the financial margin.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Company is committed to pay dividends to shareholders for which repayment is required at specific dates. Liquidity risk is measured by reviewing the Company’s future net cash flows for the possibility of negative net cash flow.

The Company manages the liquidity risk resulting from bank indebtedness, trade accounts payable, dividends payable, and the liability component of preferred shares by maintaining a line of credit. Successful utilization of leverage, as contemplated by any bank line of credit or other financing depends on the Company's ability to borrow funds from outside sources and to use those funds to make loans and other investments at rates of return in excess to the Company of the borrowed funds. Leverage increases exposure to loss.

Fair value of all financial assets and liabilities approximate carrying amounts

The carrying amount of cash and cash equivalents, interest receivable, mortgages receivable, trade and other payables, and accrued liabilities, deferred revenue, and dividends payable is approximated by their fair value due to their short term nature.

14. Financial instruments *(Continued from previous page)*

15. Fair value measurements

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is assessed to be significant to that fair value measurement. This assessment requires the use of judgment in considering factors specific to an asset or a liability and may affect the placement of the fair value measurement within the hierarchy.

The Company considers a fair value measurement to have transferred between the levels in the fair value hierarchy on the beginning of the reporting period. There were no transfers between Level 1 and Level 2, as well as no transfers into or out of Level 3 during the period.

In determining fair value measurements, the Company uses valuation techniques including comparison with quoted or observable prices for similar instruments.

Assets and liabilities measured at fair value

The Company's assets and liabilities measured at fair value in the statement of financial position on a recurring basis have been categorized into the fair value hierarchy as follows:

	Fair Value	***2019 Level 1***
Financial assets held at fair value through profit and loss		
Assets		
Cash	**2,754,059**	**2,754,059**

	Fair Value	*2018 Level 1*
Financial assets held at fair value through profit and loss		
Assets		
Cash	2,264,083	2,264,083

16. Capital management

The Company's objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet its financial commitments, including possible obligations; maintain a capital structure that allows it to finance its growth strategy with cash flows from its operations and its debt capacity; optimize the use of its capital to provide an appropriate return on investment to its shareholders and to maintain sufficient liquidity in the company to distribute dividends to shareholders within 90 days thereafter to reduce its taxable income to a negligible amount.

The Company defines capital as the sum of its assets, net of its liabilities, which approximates shareholders' equity.

The Company's investment guidelines are subject to externally imposed capital requirements to maintain the Company's eligibility as a Mortgage Investment Corporation as defined in Section 130.1(6) of the Canadian Income Tax Act. These guidelines state that:

(i) at least 50% of the Company assets must be residential mortgages and/or cash and insured deposits at Canada Deposit Insurance Corporation member financial institutions;
(ii) no more than 25% of its assets shall be real property; and
(iii) that all investments must be within Canada.

16. Capital management *(Continued from previous page)*

During the year, the Company complied with these requirements.

The Company's financial strategy is developed and adapted on the basis of market conditions to maintain a flexible capital structure consistent with the objectives stated above and to respond to the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may refinance an existing debt, take out new borrowings, repurchase preferred shares for cancellation pursuant to normal course issuer bids or issue new preferred shares.

The Company's financial strategy and objectives are reviewed annually. The Company believes that its current ratios are satisfactory, given its size, capital management objectives and growth strategy.

17. Comparative figures

Certain prior year figures have been reclassified to conform to the current year's presentation.

ITEM 13
DATE AND CERTIFICATE

Dated this 28th day of February, 2020.

This Offering Memorandum does not contain a misrepresentation.

Per:
"Barinder Sekhon"
BARINDER SEKHON
President & Director

Per:
"Sukhvir Gill"
SUKHVIR GILL
Vice President & Director

ON BEHALF OF THE BOARD OF DIRECTORS

Per:
"Gurpinder Lally"
GURPINDER LALLY
Director

Per:
"Lakhbir Toor"
LAKHBIR TOOR
Treasurer & Director

Schedule "A" to
Offering Memorandum of
METROPOINTE MORTGAGE INVESTMENT CORPORATION
Dated February 28, 2020

RISK ACKNOWLEDGEMENT
Form 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- These securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing $______________________ [total consideration] in total; this includes any amount I am obliged to pay in future.

METROPOINTE MORTGAGE INVESTMENT CORPORATION will pay $____________ of this to ____ as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

____________________________________ Date

____________________________________ Signature of Purchaser

____________________________________ Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase

To do so, send a notice to **Metropointe Mortgage Investment Corporation** stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to **Metropointe Mortgage Investment Corporation** at its business address. Keep a copy of the notice for your records.

METROPOINTE MORTGAGE INVESTMENT CORPORATION'S ADDRESS:
Suite 201, 15230 – 56th Avenue
Surrey, British Columbia V3S 5K7
Email:info@metropointemic.com
Telephone: (604) 580-5000
Fax: (604) 576-2138

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum. Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed. The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer. A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator as follows:

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 in British Columbia and Alberta 1-800-373-6393
Facsimile: (604) 899-6506

Alberta Securities Commission
4th Floor, 300 – 5th Avenue SW
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548
Toll Free in Manitoba: (800) 655-5244
Facsimile: (204) 945-0330

Ontario Securities Commission
Suite 1903, Box 5520 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll Free in Canada: (877) 785-1555
Facsimile: (416) 593-8122
Public official contact regarding indirect collection of information:
Administrative Support Clerk
Telephone (416) 593-3684

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337
Or 1 877 525-0337
Facsimile: (514) 864-6381 (For privacy requests only)
Facsimile: (514) 873-6155 (For filing purposes only)

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2B5
Telephone: (506) 658-3060
Toll Free in New Brunswick: (866) 933-2222
Facsimile: (506) 658-3059

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Government of Newfoundland and Labrador
Financial Services Regulation Divsion
P.O. Box 8700, Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189 Facsimile: (709) 729-6187

Government of Yukon
Department of Community Services
Law Centre, 3rd Floor
21230 Second Avenue
Whitehorse, Yukon Territory Y1A 5H6
Telephone: (867) 667-5314
Facsimile: (867) 393-6251

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 920-8984
Facsimile: (867) 873-0243

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqualuit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594

Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.