

Form 45-106F6

British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

Catalyst Healthcare Ltd. (the "Company")

620, 1620 Dickson Avenue

Kelowna, BC V1Y 9Y2

(250) 869-4858 ext 4701

shane_bishop@catalystrms.com

www.catalystrms.com

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

Not applicable.

Item 2: Reporting issuer status

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

Not a reporting issuer.

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

Not applicable

Item 3: Issuer's industry

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

☐ Bio-tech

☐ Mining

☐ Financial Services

☐ exploration/development

☐ investment companies and funds

☐ production

☐ mortgage investment companies

☐ Oil and gas

☐ securitized products issuers

☐ Real estate

- ☐ Forestry
☒ Hi-tech
☐ Industrial

- ☐ Utilities
☐ Other (describe)

Item 4: Insiders and promoters of non-reporting issuers

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

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

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Shane Bishop Kelowna, BC Canada	Director & President	1,167,900 Common Shares 510,000 Class A Preferred shares 1 Debenture 95,391 Warrants	\$1,322,265.21
Charles Burgess Calgary, AB Canada	Director	150,000 Common Shares	\$150,000.00
Joseph Knott Oakville, ON Canada	Director	20,000 Class A Preferred shares	\$10,000.00
Rahul Chopra Oakland, CA USA	Director	N/A	N/A
Southern Interior Development Initiative Trust Vernon, BC Canada	Owns over 10 % of voting securities	3,611,535 Class A Preferred shares	\$1,734,161.20
Southern Interior Innovation Fund (VCC)	Owns over 10 % of voting securities	3,527,704 Class A Preferred shares	\$2,263,852.00

Inc. Vernon, BC Canada		1 Convertible Note	
InnovativeRX US Holdings, Inc. Indianapolis, IN USA	Owns over 10 % of voting securities	2,310,602 Class A Preferred shares	\$924,240.80

Details of distribution

Item 5: Distribution date

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

June 14, 2016

Item 6: Number and type of securities

For each security distributed:

Upon the conversion of loans made to the Company, certain lenders thereof were issued, as applicable, an aggregate of:

- a) 6 five year convertible debentures (each, a “Debenture”) bearing interest at 8% per annum calculated daily and compounded monthly in arrears, with the principal and accrued interest thereon convertible into such number of Class A Preferred shares in the capital of the Company (the “Preferred Shares”) equal to the amount of the principal and accrued interest thereon divided by \$0.40;**
- b) 298,037 non-transferable share purchase warrants (each, a “Warrant”), each whole Warrant entitling the holder to purchase one Preferred Share at \$0.50 per Preferred Share for a period of five years; and**
- c) 1,052,751 Preferred Shares, issued at \$0.40 per Preferred Share.**

Item 7: Geographical information about purchasers

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

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	5	\$0.40 \$0.50	\$787,008.38
Ontario	1	\$0.40 \$0.50	\$7,083.00
United States	1	\$0.50	\$134,675.20
Total number of Purchasers	7		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$928,766.58 ⁽¹⁾

Note (1): (i) \$357,647.68 issued in Debentures; (ii) \$149,018.50 issued in Warrants; and (iii) \$421,100.40 issued in Preferred Shares.

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

Item 8: Information about purchasers

Instructions

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Southern Interior Development Initiative Trust 103, 2802 30 St Vernon, BC V1T 8G7 Luanne Chore (250) 545-6829	N/A	1 Debenture 254,934 Warrants 716,063 Preferred Shares	\$719,813.14	2.3	2016-06-14
Dapasoft Inc. 500, 255 Consumers Road North York, ON M2J 1R4 Stephen Chan (416) 847.4080	N/A	1 Debenture 4,166 Warrants	\$7,083.00	2.3	2016-06-14

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

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

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

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Not applicable.						

Certificate

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

Date: 25 August 2016

Catalyst Healthcare Ltd.
Name of issuer (please print)

Shane Bishop, CEO 250.469.2432
Print name, title and telephone number of person signing

signed "Shane Bishop"
Signature

Instruction

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

Item 10: Contact information

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

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

Notice - Collection and use of personal information

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

British Columbia Securities Commission

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