

Form 45-106F6
British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 (“**NI 45-106**”) for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

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

Issuer: Graphite Software Corporation

555 Legget Drive, Tower B, Suite 740

Ottawa, ON K2K 2X3

Telephone: (613) 595-0971

Email Address: info@graphitesoftware.com

Website: <http://graphitesoftware.com/wp/>

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

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

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.

The issuer is not a reporting issuer.

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

Not applicable.

Item 3: Issuer's industry

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

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

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 \$)
Li Zhang Beijing, China	Director	N/A	N/A
Alec Main Ottawa, Canada	Director, President, CEO, Chief Technology Officer, VP Marketing	75,000 Class A Convertible Preferred Shares	\$0.01

Paul Felix Litva Ottawa, Canada	Director, Secretary, VP Business Development	75,000 Class A Convertible Preferred Shares	\$0.01
Brian Antonen Toronto, Canada	Director	N/A	N/A
David Adderley Ottawa, Canada	Director	N/A	N/A
Ron Vandergeest	VP Engineering	689,740 Common Shares and 75,000 Class A Convertible Preferred Shares	\$2.00 for Common Shares and \$0.01 for Class A Preferred Shares
Rong Hui Investment (001) Limited Partnership	holder of more than 10% of voting securities	849,858 Class B Convertible Preferred Shares	\$3,926,343.96 ¹
Celtic House Venture Partners Fund IV LP	holder of more than 10% of voting securities	4,000,000 Class A Convertible Preferred Shares and 283,286 Class B Convertible Preferred Shares	\$4,000,000 for Class A Preferred Shares and \$1,308,781.32 ¹ for Class B Preferred Shares

Note 1: based on USD\$ to CDN\$ noon exchange rate of 1.3077 on April 6, 2016.

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.

April 6, 2016

Item 6: Number and type of securities

For each security distributed:

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

Type of Security: Class B Convertible Preferred Shares

Total number of securities distributed: 1,133,144 Class B Convertible Preferred Shares in the capital of the issuer (the “**Preferred Shares**”). The Preferred Shares convert, at any time and from time to time, at the option of the holder, into

common shares in the capital of the issuer ("**Common Shares**"). The Preferred Shares also automatically convert into Common Shares (i) contemporaneously with the closing of a qualified initial public offering, (ii) upon the affirmative vote or written consent of the holders of at least sixty percent (60%) of the outstanding preferred shares of the issuer, or (iii) upon the optional conversion of at least sixty percent (60%) of the aggregate number of preferred shares of the issuer, whichever occurs first.

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 \$) ¹
British Columbia	1	\$4.62 per Class B Convertible Preferred Share	\$3,926,343.96
Ontario	1	\$4.62 per Class B Convertible Preferred Share	\$1,308,781.32
Total number of Purchasers	2		
Total dollar value of distribution in all jurisdictions (Canadian \$) ¹			\$5,235,125.28

Note 1: based on USD\$ to CDN\$ noon exchange rate of 1.3077 on April 6, 2016.

Item 8: Information about purchasers

Instructions

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

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

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

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

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

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ¹	Exemption relied on	Date of distribution (yyyy-mm-dd)
Rong Hui Investment (001) Limited Partnership 8-5880 Hampton Place Vancouver, BC V6T 2E9 Attention: Lily Zhang Telephone: +86 13520939135	N/A	849,858 Class B Convertible Preferred Shares	\$3,926,343.96	NI 45-106 Section 2.3 or s.73.3(2) of the <i>Securities Act</i> (Ontario)	2016-04-06
Celtic House Venture Partners Fund IV LP 300-80 Aberdeen St Ottawa, ON K1A 5R5 Attention: David Adderley Telephone: (613) 569-7200	N/A	283,286 Class B Convertible Preferred Shares	\$1,308,781.32	NI 45-106 Section 2.3 or s.73.3(2) of the <i>Securities Act</i> (Ontario)	2016-04-06

Note 1: based on USD\$ to CDN\$ noon exchange rate of 1.3077 on April 6, 2016.

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

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

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

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

Certificate

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

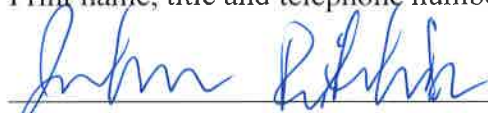
Date: April 15, 2016

Graphite Software Corporation

Name of issuer (please print)

Jordan Potechin, Student-at-law with LaBarge Weinstein LLP, 613-599-9600 (ext. 203)

Print name, title and telephone number of person signing



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.

N/A

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

Guidance for completing and filing Form 45-106F6

1. ***Required form in British Columbia*** - *In British Columbia, file this report and the applicable fee using BCSC e-services in accordance with British Columbia Instrument 13-502 Electronic filing of reports of exempt distribution. If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file this report in British Columbia and file Form 45-106F1 in the other applicable jurisdictions.*
2. ***What is a distribution?*** - *In British Columbia, “distribution” includes distributions made from British Columbia to purchasers resident in other Canadian or foreign jurisdictions if the issuer has a significant connection to British Columbia. If the issuer has a significant connection to British Columbia, complete the tables in item 8 and Schedules I and II for all purchasers.*

In British Columbia, “distribution” also includes distributions made from another Canadian or foreign jurisdiction to purchasers resident in British Columbia. If the issuer is from another Canadian or foreign jurisdiction, complete the tables in item 8 and Schedules I and II only for purchasers resident in British Columbia.

3. ***What is a purchaser?*** - *References to a purchaser in this report are to the beneficial owner of the securities.*
4. ***What is an individual?*** - *An individual is a natural person. A corporation, partnership, party, trust, fund, association, and any other organized group of persons is not an individual.*
5. ***Space in tables*** - *If the space provided in any table in this Form is insufficient, please adjust the table to include additional space.*
6. ***Multiple distributions*** - *One report may be used for multiple distributions occurring within 10 days of each other if the report is filed on or before the 10th day following the first of such distributions.*
7. ***Fees*** - *In order to determine the applicable fee, consult Fee Checklist British Columbia Form 11-901F (item # 16).*