FORM 45-106 F2
Offering Memorandum for Non-Qualifying Issuers

OFFERING OF CLASS "A" PREFERRED SHARES

Date:	December 22, 2017
The Issuer	
Name:	Genesis Mortgage Investment Corporation (the "Company")
Head office:	110 - 8228 Westminster Highway, Richmond, BC V6X 1A6 Phone #: 604-279-0360 (Toll Free: 1-855-982-6699) E-mail: info@genesiscapital.ca Fax #: 604-630-7266 Website: www.gentaicapital.com (Genesis MIC)
Currently listed or quoted?	No. **These securities do not trade on any exchange or market.**
Reporting issuer?	No.
SEDAR filer?	No.
The Offering	
Securities offered:	Class "A" Preferred shares (redeemable, non-voting) (each, a "Preferred Share").
Price per security:	$1.00 per Preferred Share.
Minimum/Maximum offering:	**There is no Minimum Offering. You may be the only purchaser.** The Maximum Offering is 80,000,000 Preferred Shares. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum Subscription:	10,000 Preferred Shares.
Payment terms:	Bank draft, certified cheque or wire transfer on closing. See Item 5.2 "Subscription Procedure".
Proposed closing date(s):	Continuous offering. Closings may occur from time to time as subscriptions are received.
Income Tax consequences:	There are important tax consequences to these securities. See Item 6 "Income Tax Consequences and Eligibility for Investment".
Selling agent?	No. The Company may pay a sales fee to registered securities dealers, or where permitted non-registrants, in an amount not to exceed 4% of the subscription monies obtained by such persons, payable at the time of the initial investment. See Item 7 "Compensation Paid to Sellers and Finders".

Resale restrictions
You will be restricted from selling your securities for an indefinite period. See Item 10 "Resale Restrictions". However, the Preferred Shares are redeemable in certain circumstances. See Item 5.1 "Terms of Preferred Shares – Redemption Rights".

Purchaser's rights
You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 "Purchasers' Rights".

No securities regulatory authority 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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SUMMARY

The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum.

Introduction:

This offering (the "Offering") by the Company, Genesis Mortgage Investment Corporation, consists of up to 80,000,000 Preferred Shares. There is no minimum Offering.

The Company is a mortgage investment corporation incorporated on October 16, 2012 pursuant to the laws of the Province of British Columbia. This Offering is of Preferred Shares and not of real estate or interests in real estate.

Offering:

A continuous Offering by the Company of Preferred Shares. See Item 5.2 "Subscription Procedure". A subscriber whose subscription is accepted will become a Preferred Shareholder of the Company.

Price:

The price per Preferred Share under this Offering is $1.00.

Minimum Subscription:

Investors must subscribe for a minimum of 10,000 Preferred Shares. See Item 5.2 "Subscription Procedure".

Use of Proceeds:

The net proceeds of the Offering (also referred to herein as "Net Subscription Proceeds") will be invested primarily in loans secured by mortgages on real estate in Canada. Subject to any restrictions under the Tax Act that are applicable to mortgage investment corporations, the Company may make other permitted investments over time. The Manager will use its best efforts to make suitable investments of the Net Subscription Proceeds as soon as possible following each Closing.

Investments in Mortgages will be made as set out in Item 2.2 "The Company's Business - Investment Policies and Guidelines".

Manager:

The Company does not have and does not expect to have any employees. In order to obtain ongoing management and administrative services, the Company has entered into a management and administration agreement dated October 1, 2014, as amended January 4, 2016 and December 22, 2016 (as so amended, the "Management Agreement") with Gentai Capital Corporation (formerly Genesis Capital Corporation (the "Manager"), an Affiliate of the Company by virtue of having directors in common, which will be responsible for managing and overseeing the Company's business and affairs, including management, brokerage, supervision and administration of the Company's mortgage portfolio. The Manager is registered as a mortgage broker in British Columbia and licenced as a mortgage broker in Alberta and Ontario.

Pursuant to the Management Agreement, the Company has agreed to pay the Manager: (i) subject to an annual return of 8% to the Preferred Shareholders and the Class B shareholders, a fee of 2% per year (0.1667% per month) of funds under management (comprising the outstanding preferred share capital, the upper limit of the Credit Facility with Canadian Western Bank and the outstanding amounts due under all mortgage loans made by the Company) as of the last working day of each month; (ii) a bonus equal to the net income otherwise payable to the Company's shareholders that represents a net return on capital to said shareholders of more than 10% per annum; and (iii) a foreclosure administration fee. In addition, the Manager may charge broker's fees, lenders fees, commitment fees, extension fees, renewal fees, insufficient funds fees, administration fees and similar fees to borrowers with respect to any mortgage loan. Further, the Company will reimburse the Manager for approved expenses, including, without limition, travel, marketing and business development expenses.

This is a risky investment and returns are not guaranteed. See Item 2.2 "The Company's Business – The Manager".

Dividends:	Pursuant to the Articles, no dividends shall be paid on Preferred Shares otherwise than out of funds and/or assets properly available for the payment of dividends and a declaration by the directors as to the amount of such funds or assets available for dividends shall be conclusive. Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class shall be declared and paid according to the number of such shares held. No dividend shall bear interest against the Company.
Redemption:	Preferred Shares will be eligible for redemption commencing one year after issuance at the request of the Preferred Shareholders or at the option of the Company, subject to applicable laws and certain other conditions. Redemptions of Preferred Shares will be made on a monthly basis provided that the Company is given at least 30 days written notice of redemption. The Company may, without notice to Preferred Shareholders, change the redemption policy to annual redemptions, as set out in the Articles, which provide that the Company is only required to redeem Preferred Shares within 90 days of the date of receipt of a notice of redemption, provided that such notice of redemption is received by the Company on or before July 3 (being 90 days prior to the financial year end of September 30). The redemption price for any redemption will be the book value at the relevant time less any applicable discount for early redemption plus any dividends declared but unpaid, plus interest for the relevant period prior to the date of payment. See Item 5.1 "Terms of the Preferred Shares".
Closing:	Closings of subscriptions for Preferred Shares will take place on such dates as the Manager determines.
Sales Fee:	The Company may pay a sales fee to registered securities dealers, or where permitted non-registrants, in an amount not to exceed 4% of the subscription monies obtained by such persons, payable at the time of the initial investment.

Taxation : As a mortgage investment corporation, the Company is entitled to deduct from its income dividends paid to holders of Preferred Shares. The amount of such dividends will be included in the income of the holders of Preferred Shares as interest or taxable capital gains. 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. The Preferred Shares are qualified investments for RRSPs, RRIFs and TFSAs. See Item 6 "Income Tax Consequences and Eligibility for Investment".

Resale Restrictions: Under applicable securities laws, the resale of the Preferred Shares is subject to restrictions. Since the Company is not a "reporting issuer" under applicable securities laws and it is not contemplated that it will become one, if no exemption is available under applicable securities laws and regulations or an appropriate discretionary order obtained pursuant to applicable securities laws, the Preferred Shares cannot be sold without a prospectus for an indefinite period of time. See Item 10 "Resale Restrictions".

Risk Factors: An investment in Preferred Shares is highly speculative due to the nature of the Company's business and entails a number of risks. These risks include but are not limited to the following:

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

(a) All investments in Mortgages are subject to risks such as liquidity, fluctuations in real property values, occupancy rates, operating expenses, interest rates and other factors.

(b) The Company will invest in mortgages which will not necessarily be secured by a first charge on the underlying real property. Mortgages ranking subsequent to a first charge are generally considered a higher risk than first position mortgages since they are subject to the interests of prior charge holders. The Company intends to make investments in mortgages where the loan is up to 85% of the appraised value of the real property which is mortgaged, which exceeds the investment limit for conventional mortgage lending.

(c) Investment in real estate is subject to numerous financial and operating risks.

(d) Investors will be relying on the good faith and expertise of the principals of the Company and the Manager in identifying potential investment opportunities for the Company. Depending on the return on investment achieved on the Mortgages, the Preferred Shareholders' return on their respective investments in the Preferred Shares will vary. Losses are possible and neither return on invested capital nor return of invested capital are guaranteed.

(e) A Preferred Shareholder is relying on the good faith, skill, judgment and experience of the Manager as they relate to all aspects of the operation and management of the Company.

(f) Changes in economic conditions and other factors may cause Preferred Shareholders to redeem their Preferred Shares and could cause a shortfall in funds available to meet redemptions or distributions to the Preferred Shareholders.

(g) 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.

(h) Situations may arise where the interests of the officers/directors of the Manager and their associates and Affiliates will conflict with those of Preferred Shareholders. The risk exists that such conflicts will not be resolved in the best interests of the Company and its shareholders. Prospective investors should review the sub-heading “Conflicts of Interest” in Item 8 “Risk Factors” for a discussion concerning the factors which should be considered by prospective investors concerning these conflicts.

(i) There is no market for the Preferred Shares and a market for the Preferred Shares is not expected to develop. The Preferred Shares are not transferable, except with the consent of the directors of the Company. As well, securities laws may prohibit or restrict transferability of the Preferred Shares. See Item 10 “Resale Restrictions”.

(j) The Company may be adversely affected by changes in income tax laws and other laws, governmental policies or regulations.

(k) The Company may borrow funds on the security of the Mortgages and its other investments, which could increase the risk of the Company’s insolvency.

The risks are more fully described in Item 8 “Risk Factors”.

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;

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

"**Credit Facility**" means the revolving credit facility established on October 28, 2014, as amended May 11, 2015, March 30, 2016 and December 20, 2016, with Canadian Western Bank, as described under Item 2.7 "Material Contracts – Credit Facility, as may be amended, restated, modified or supplemented 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;

"**Fiscal Year**" means each consecutive period of 12 months ending on the last day of September, provided that the first fiscal year of the Company commenced on October 16, 2012 and ended on September 30, 2013;

"**LTV**" means loan-to-value;

"**Management Agreement**" means the management and administration agreement dated October 1, 2014, as amended January 4, 2016 and December 22, 2016, between the Company and the Manager, as may be amended, restated, modified or supplemented from time to time;

"**Manager**" means Gentai Capital Corporation (formerly Genesis Capital Corporation), a company existing under the laws of the Province of British Columbia;

"**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, and may include the Manager if and to the extent that the Manager becomes 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 Preferred Shares;

"**Preferred Share**" means a Class A preferred (redeemable, non-voting) 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;

“**Redemption**” means a redemption of Preferred Shares by a Preferred Shareholder;

“**Securities Authority**” means the British Columbia 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.

CANADIAN CURRENCY

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

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results, performance and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Offering Memorandum. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect including, but not limited to: the continued ability to raise capital from the Offering, the ability of the Company to make loans secured by mortgages capable of generating the necessary income to enable the Company to achieve its investment objectives, the maintenance of prevailing interest rates at favourable levels, the ability of borrowers to service their obligations under the loans, the ability of the Manager to effectively perform its obligations to the Company, anticipated costs and expenses, competition, changes in general economic conditions and changes in tax laws. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements, except as required by applicable law. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this Offering Memorandum. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under Item 8 “Risk Factors”.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference as part of this Offering Memorandum:

(a) the marketing materials related to this Offering prepared as at the date of this Offering Memorandum delivered or made reasonably available to a prospective purchaser; and

(b) the marketing materials related to this Offering which may be prepared after the date of this Offering Memorandum and delivered or reasonably made available to a prospective purchaser prior to the termination of this Offering.

ITEM 1
USE OF AVAILABLE FUNDS

1.1 Funds

The net proceeds of the Offering and the funds available to the Company from other sources are as follows:

		Assuming Minimum Offering[1]	Assuming Maximum Offering
A.	Amount to be Raised by this Offering	$ -	$ 80,000,000
B.	Selling Commissions and Fees[2]	$ -	$ 2,400,000
C.	Estimated Offering Costs (legal, accounting, audit, etc.)[3]	$ 40,000	$ 40,000
D.	**Available Funds D = A – (B + C)**	($ 40,000)	$ 77,560,000
E.	Additional Sources of Funding Required (available): Cash on Hand[4] Credit Facility[5]	 $ 1,000 $ 63,364	 $ 1,000 $ 63,364
F.	Working Capital Deficiency[6]	$ 0	$ 0
G.	**Total: G = (D + E) – F**	$ 24,364	$ 77,624,364

(1) There is no minimum Offering. You may be the only purchaser of Preferred Shares.
(2) The Company may pay a sales fee to registered securities dealers, or where permitted non-registrants, in an amount not to exceed 4% of the subscription monies obtained by such persons, payable at the time of the initial investment.
(3) Offering Costs as shown are estimated, and include legal, accounting and audit costs, printing and other administrative costs associated with marketing the Preferred Shares pursuant to this Offering Memorandum.
(4) Cash on hand as at the date of this Offering Memorandum.
(5) Balance available under the Credit Facility as at the date of this Offering Memorandum. The balance available depends on the amount of qualifying mortgage loans held, and, as a result, the full amount of the Credit Facility may not be available. See Item 2.2 "Description of our Business – Credit Facility".

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 and Guidelines". The Manager 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)[1]*	Assuming Minimum Offering	Assuming Maximum Offering
Investment in residential, commercial, construction (development) and bare land mortgages[2]	$ 24,364	$ 77,624,364
Total	$ 24,364	$ 77,624,364

(1) Revenue from operations has been, and is expected to continue to be, sufficient to cover operating costs.
(2) Full or partial repayment of the Credit Facility using the Net Subscription Proceeds will enable the Company to borrow additional funds under the Credit Facility and make additional mortgage loans. See Items 2.2 "Description of our Business – Credit Facility" and 4.2 "Share Capital – Long Term Debt".
***** Pursuant to the Management Agreement, the Company has agreed to pay the Manager: (i) subject to an annual return of 8% to the Preferred Shareholders and the Class B shareholders, a fee of 2% per year (0.1667% per month) of funds under management (comprising the outstanding preferred share capital, the upper limit of the Credit Facility with Canadian Western Bank and the outstanding amounts due under all mortgage loans made by the Company) as of the last working day of each month; (ii) a bonus equal to the net income otherwise payable to the Company's shareholders that represents a net return on capital to said shareholders of more than 10% per annum; and (iii) a foreclosure administration fee. In addition, the Manager may charge broker's fees, lenders

fees, commitment fees, extension fees, renewal fees, insufficient funds fees, administration fees and similar fees to borrowers with respect to any mortgage loan. Further, the Company will reimburse the Manager for approved expenses, including, without limition, travel, marketing and business development expenses. The current directors and officers of the Company are also directors and officers of the Manager. See Item 2.2 “The Company’s Business – The Manager”, Item 2.7 “Material Agreements” and Item 8 “Risk Factors – Conflicts of Interest”.

1.3 Reallocation

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

1.4 Working Capital Deficiency

The Company does not have a working capital deficiency.

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 October 16, 2012 under Incorporation No. BC0952821. The Company’s registered and records office is located at 6345 – 197 Street, Langley, BC V2Y 1K8 and its head office is located at 110 – 8228 Westminster Highway, Richmond, BC V6X 1A6.

Gentai Capital Corporation (formerly Genesis Capital Corporation) is the Manager of the Company pursuant to the terms of the Management Agreement. It is a corporation incorporated under the *Business Corporations Act* (British Columbia) on October 16, 2012 under Incorporation No. BC0952819. The Manager’s registered and records office is located at 6345 – 197 Street, Langley, BC V2Y 1K8 and its head office is located at 110 – 8228 Westminster Highway, Richmond, BC V6X 1A6.

2.2 The Company’s Business

The Company

The Company is a mortgage investment corporation. 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. The Company intends to make a diversified range of residential and commercial real estate loans, and a small number of other real estate (construction (development) and bare land) loans, all secured by first and second mortgages, and a small number of third mortgages, on real estate properties. The Company will mainly earn revenue through interest and renewal fees, pre-payment penalties, performance bonsuses and other fees and charges related to such mortgages. Subject to limitations and restrictions applicable to mortgage investment corporations that are contained in the Tax Act, the Company may also earn revenue from other permitted investments, including short term rental of properties acquired from foreclosures under mortgages and capital gains when such properties are sold.

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 Financial Institutions Commission regulates the mortgage brokering and lending activities of Mortgage Investment Corporations (“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.

The Manager

The Company does not have and does not expect to have any employees and will be managed by the Manager, which will provide ongoing management and administrative services relating to the Company's business pursuant to the Management Agreement. The Manager is responsible for managing and overseeing the Company's business and affairs, including day-to-day operations and managing the mortgage portfolio, and providing administrative services for the Company's operations. The Manager is registered as a mortgage broker in British Columbia and licenced as a mortgage broker in Alberta and Ontario. The Manager is considered to be an Affiliate of the Company based on the following:

(a) H. Tinu Mu is the Presdient and a director of the Company and the Manager;

(b) Yu (Peter) Yang is the Managing Director and a director of the Company and the Corporate Secretary and a director of the Manager; and

(c) H. Tina Mu owns all of the voting common shares of the Manager and 25% of the voting shares of the Company.

Pursuant to the Management Agreement, the Manager is primiarily responsible for overing and managing the Company's investment portfolio, including but limited to its mortgage portfolio. More specifically, the Manager has agreed to provide to the Company the following services:

(a) negotiation and execution of any investment related agreements, including, but not limited to, term sheets, mortgage commitments, and any and all mortgage documents including postponements and discharges as may be required;

(b) negotiation and execution of any agreements with professional consultants, independent contractors, suppliers and brokers;

(c) discussion and negotiation with government authorities having jurisdiction over the Company and obtaining required consents and approvals related to the administration of the Company;

(d) assisting with the investment of the Company's assets in mortgage loans acceptable to the Company and in accordance with the Company's credit committee's investing guidelines and the guidelines;

(e) providing ongoing assistance and guidance to the Company to ensure it is compliant at all times with any and all legislation applicable to the Company and its business activities, including, but not limited to, the Tax Act, the *Real Estate Development Marketing Act* (British Columbia), SBC 2004 c.41, the *Real Estate Services Act* (British Columbia) and the B.C. Securities Act and any associated regulations and policies, which the Manager may contract to third parties;

(f) general administration of the Company;

(g) supervision on an ongoing basis of all Company funds, including, but not limited to, general investments, advances, draws, interest payments, collection and dispersal of any funds payable or receivable in accordance with the requirements of the arrangements, mortgages, agreements, undertakings and contracts therefore;

(h) sourcing, arranging, providing support and assistance with respect to obtaining loans from lenders and funds from investors of the Company;

(i) arranging for any insurance coverage, as may from time to time be required with respect to the Company;

(j) providing regular and continuing accounting, on the basis of generally accepted accounting practices, respecting all costs and expenses of the Company;

(k) providing the Company with interim financial statements of the Company and any related financial information within 10 days of a written request for same by the Company;

(l) instituting, prosecuting and defending legal actions affecting the Company;

(m) maintaining and administering all records, documents and materials in the possession or control of the Company, including, but not limited to, books of account of the Company and a database of mortgages included in the Company's mortgage portfolio;

(n) establishing and maintaining the register of the Company's investors;

(o) processing all documentation relating to the business of the Company; including, but not limited to, applications, appraisals, commitments, registration, funding, collection and discharge of such documents;

(p) reporting to the investors, on a minimum of an annual basis, regarding the operation of the Company;

(q) collecting and mailing financial and other reports and all other notices required to be completed by the Company;

(r) attending to all arrangements necessary for meetings of the Company;

(s) responding to inquiries by Companyinvestors;

(t) distributing annual tax information prepared by or for the Companyto the investors each year for the preceding calendar year;

(u) providing the investors with annual financial statements prepared by the Manager on behalf of the Company; and

(v) generally do any and all things necessary and incidental to the supervision, administration and business enterprise of the Company.

The Management Agreement also requires the Manager to provide the Company with offices, equipment, furniture, internet, telephone and other necessities to continue the Company's business.

Pursuant to the Management Agreement, the Company has agreed to pay the Manager, subject to an annual return of 8% to the Preferred Shareholders and the Class B shareholders, a fee (the "Management Fee") of 2% per year (0.1667% per month) of funds under management (comprising the outstanding preferred share capital, the upper limit of the Credit Facility with Canadian Western Bank and the outstanding amounts due under all mortgage loans made by the Company) as of the last working day of each month. Such fee is used to pay the wages of the Manager's employees and the costs of providing office space, telephone, power, stationery, internet service and other office expenses.

The Manager is entitled to a bonus equal to the net income otherwise payable to the Company's shareholders that represents a net return on capital to said shareholders of more than 10% per annum. The Manager is also entitled to a foreclosure administration fee for each foreclosure proceeding initiated against a mortgaged property. In addition, the Manager may charge broker's fees, lenders fees, commitment fees, extension fees, renewal fees, insufficient funds fees, administration fees and similar fees to borrowers with respect to any mortgage loan. Further, the Company will reimburse the Manager for approved expenses, including, without limition, travel, marketing and business development expenses.

If the annualized return on the Preferred Shares and the Class B Preferred Share is less than 8%, the Manager must, within three months after the Company's financial year end, repay the Company that portion of the Management Fee as is necessary to increase the annual return to 8%. For greater clarity, the Manager is not required to pay more than 100% of the Management Fee for respective financial year, even if repayment of 100% of such fee does not increase the annualized return to 8%.

Pursuant to the Management Agreement, the Company has agreed to indemnify the Manager, its directors, officers, employees, agents and direct and indirect shareholders, from and against all claims, actions, suits, proceedings, demands, assessments, judgements, losses, damages, liabilities, expenses, costs to which such persons may be put or suffer as a result of performing their respective duties thereunder except those claims, demands, actions costs or finds and costs caused by the Manager's gross negligence or willful misconduct of the Manager or its employees.

The Management Agreement is for an indefinite term, and may be terminated by the Company or the Manager, as applicable, in the event that:

(a) a bankruptcy, receivership or liquidation order is issued agains the other;

(b) the other party makes an assignment for the benefit of creditors or commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada);

(c) the other party commits a breach or default under the Management Agreement (not related to the payment of any money to be paid by the breaching party) and the same is not cured within 30 days of receiving notice thereof; or

(d) the other *party* commits a breach or default under the Management Agreement (related to the payment of any money to be paid by the breaching party) and the same is not cured within 30 days of receiving notice thereof.

In addition, the Management Agreement may be terminated by the Company in the event that the Manager assigns the Management Agreement or its rights and obligations thereunder to any person who is not an affiliate of the Manager without the prior written consent of the directors of the Company. The Management Agreement may also be terminated by mutual consent on 180 days' written notice or upon appointment of a suitable replacement.

Investment in Loans

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 Manager 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 will usually be held by and registered in the name of the Company. However, from time to time, the Manager may elect Mortgages to be held by and registered in the name of nominees of the Company on behalf of the Company. Mortgages may also be held by another entity or entities holding an interest in such Mortgages jointly with and/or in trust for the Company, with the Company holding beneficial title and ownership to its interest. Where legal title to a Mortgage is held by and registered in the name of an entity wholly-owned by the Company, such entity may also hold legal title to such Mortgage on behalf of the other beneficial owners of such Mortgage.

The Company may also acquire interests in Mortgages by entering into participation agreements. The participation agreements will provide a beneficial interest of the Company in the subject Mortgage, although not a directly registered interest.

Where necessary, title insurance will be obtained. Any title insurance will be held 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 by various types of Real Property, including single and multi-family residential properties and residential land developments, and commercial land developments and income-producing properties that have retail, commercial, service, office and/or industrial uses. Such Mortgages will comply with the investment policies of the Company. Such Mortgages will often be short term, generally six to 12 months and on an "interest-only" basis, and up to a maximum term of 36 months, and will primarily be first or second ranking mortgages, but may also be subsequent ranking Mortgages.

The Loans may include "acquisition" loans and "construction" loans. An "acquisition" loan is normally used to finance the acquisition of land and, possibly, the installation and construction thereon of roads, municipal fees, drainage and sewage systems, utilities, and similar improvements. When funding improvements to the land, subsequent loan advances are made pursuant to a stipulated schedule after an inspection and review of the project's progress by the lender or its agent and the furnishing of reports by professional engineers, architects or quantity surveyors. In some instances, acquisition loans may be made to finance the acquisition of more land than will be improved immediately, or land, the development of which is contemplated at a later date. Take-out commitments are not normally a prerequisite to the granting of an acquisition loan.

A "construction" loan is normally used to finance the construction of buildings, recreational facilities and similar improvements. Construction loan advances are also made pursuant to a stipulated schedule after appropriate inspections and progress reports. The Company will only invest in a construction loan if the funds made available under the construction loan plus any additional financing arranged by the borrower or the borrower's available capital is considered to be sufficient to complete the proposed construction. The Company may invest in subsequent ranking loans for any or all development and construction situations.

Investment Policies and Guidelines

The Manager will use its discretion in establishing, from time to time, guidelines, policies and procedures respecting the investments the Company will make, including, but not limited to, the following:

(a) the Company will primarily invest in residential and commercial mortgages;

(b) the Company will invest primarily in first and second mortgages;

(c) a first mortgage (being a mortgage having priority over all other security interests registered against the same real property used to secure such mortgage) may not exceed 85% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;

(d) a second mortgage (being a mortgage having second place priority over all other security interests registered against the same real property used to secure such mortgage) may not exceed 85% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;

(e) mortgages may contain clauses permitting the mortgagor, when not in default, to renew the mortgage for additional terms at the sole discretion of the Company;

(f) the Company may borrow funds in order to acquire or invest in specific mortgage investments; provided, the interest rate is less than the interest rate charged by the Company on the corresponding mortgage investment or portfolios acquired with such borrowed funds; and

(g) the Company may participate in mortgages on a syndication basis.

The Manager will apply the following investment criteria, which are consistent with the Company's Articles, the provisions of the Tax Act and applicable real estate legislation:

(a) all mortgages, promissory notes and caveatable interests will, prior to funding, be registered on the title of the approved property or title insured, as the Manager shall direct;

(b) where investment is made by the Company in purchasing an interest in a mortgage offered for sale by the Manager that amounts to less than full acquisition of that mortgage, the purchase agreement will contain a charging clause enabling the Company to register a beneficial caveat on title to the subject property in the Company's name;

(c) all mortgage investments will initially be made in the Province of British Columbia or any other Canadian jurisdiction as permitted by the Tax Act;

(d) the Company will maintain at least 50% of the Company's assets in investments in mortgages secured by residential real estate;

(e) no more than 50% of the Company's assets will be invested in mortgages secured by commercial and industrial real estate;

(f) the Company may advance funds on approved loans by way of progress payments upon Manager evaluation and acceptance of completion of specified stages of construction or development;

(g) the Company will not make any investment that would result in the Company not qualifying as a mortgage investment corporation pursuant to the Tax Act;

(h) the Company will not invest in securities, guaranteed investment certificates or treasury bills unless they are approved investments pursuant to the Tax Act and unless they are pledged as collateral in connection with Mortgage investments or obtained by realizing on such collateral;

(i) the Company will not make short sales of securities or maintain a short position in any securities;

(j) the Company will not act as an underwriter in the capital stock of any corporation;

(k) the Company will not guarantee the securities or obligations of any person;

(l) to the extent that the Company's funds are not invested in mortgages from time to time, they will be held in cash deposited with a Canadian chartered bank or will be invested by the Company in short term deposits, savings accounts or government guaranteed income certificates or treasury bills so as to maintain a level of working capital for ongoing operations considered acceptable by the Company's directors; and

(m) the Company will not make any investments that would result in the Manager developing or managing real property on the behalf of the Company.

If, due to a change in the provisions of the Tax Act or other legislation applicable to the Company, any of the foregoing 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 restrictions may be changed at any time (so long as such change complies with applicable legislation) if the change is determined by the Manager 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.

Source of Funding for Dividends

The Company is considered a mortgage investment corporation or MIC under the Tax Act. As such, the Company is entitled to deduct from its taxable income dividends paid to Preferred Shareholders during the year or within 90 days of the end of the year to the extent the dividends were not deducted previously. The Company intends to maintain its status as a MIC and intends to make sufficient dividend payments in the year and in future years to ensure that the Company is not subject to income taxes payable. Dividends paid to Preferred Shareholders are a return on capital, and at no point have they been a return of capital, nor does the Company anticipate that a future dividend will be a return of capital.

From time to time, operating cashflows may not be consistent with operating income due to the accrual of interest income on outstanding mortgage balances consistent with their terms and other amounts to be received or paid at a later date. When cashflows from operations are insufficient to meet the distribution of earnings, the Company will fund the dividend from cash reserves.

The Company maintains a certain amount of liquid cash available to invest in opportunities, as they arise, to pay the Company's operating costs, and to fund dividends paid to Preferred Shareholders in the event that cashflows from operations are not sufficient relative to earnings.

The effective annual yield on adjusted share capital for the Company's shareholders for the past four financial years is set out in the following table:

Year	**Dividends Paid (includes cash and Preferred Shares)**	**Effective Annual Yield***
2013	$359,091.00	8.24%
2014	$1,692,580.00	8.24%
2015	$2,112,607.00(1)	8.34%
2016	$3,189,755.00	8.24%
2017	$4,038,516.00	8.24%

*Historic results may not be indicative of future performance. See Item 8 "Risk Factors".
(1) Includes special dividend of $26,034 for fiscal 2015 which was paid on December 16, 2015 (ie, during fiscal 2016).

The effective annual yield since the Company's is 8.24%. Since inception, all to the Company's shareholders have been, and are expected to continue to be, made out of the Company's net income and capital gains received in each financial year, and none of such dividends have been funded by sources such as loans, share issuances or the Credit Facility. It is the Company's intention to continue to pay dividends on such basis.

The rates of return are averages for all of the Company's shareholders and may not reflect the return received by any one investor. There is no guarantee that such rates of return will continue or that investors will receive similar returns in future years. See Item 8 "Risk Factors" for factors that may affect the Company's business and the rates of return realized by investors.

2.3 Development of the Business

The Company was incorporated on October 16, 2012, and has issued Preferred Shares as more fully described in Section 4.3 "Prior Sales". The Company's strategy is to expand in a controlled manner by diversifying geographically and focusing on real estate sectors with the lowest risk. The Company believes that this growth and strategy has resulted in acceptable rates of return on invested capital relative to alternative investment opportunities for shareholders. During the Company's two most recently completed financial years, there have not been any unusual events or conditions that have favourably, or adversely, influenced the development of its business.

During the last financial year, the Company funded 69 mortgage loans totalling over $71,160,500, as follows:

Province	**First Mortgages**			**Second Mortgages**			**Third Mortgages**		
	No.	**Percent**	**Principal**	**No.**	**Percent**	**Principal**	**No.**	**Percent**	**Principal**
British Columbia	11	100%	$24,040,000	57	94.69%	$44,620,500	0	-	-
Alberta	0	-	-	0	-	-	0	-	-
Ontario	0	-	-	1	5.31%	$2,500,000	0	-	-
Total	**11**	100%	**$24,040,000**	**58**	100%	**$47,120,500**	0	-	-

The Company's mortgage portfolio as of September 30 for each of the past three financial years was as follows:

Mortgage Rank	**2017**			**2016**			**2015**		
	No.	**Percent**	**Principal**	**No.**	**Percent**	**Principal**	**No.**	**Percent**	**Principal**
First	11	30.71%	$23,145,000	7	12.00%	$6,497,000	8	20.99%	$7,746,444
Second	57	69.29%	$52,232,416	50	88.00%	$47,623,915	54	79.01%	$29,161,305
Third	0	-	-	0	-	-	0	-	-
Total	**68**	100%	**$75,377,416**	**57**	100%	**$54,120,915**	**62**	100.00%	**$36,907,749**
Weighted Average Interest Rate			**10.14%**			**9.9%**			**9.6%**

As at the date of this Offering Memorandum, the Company has 68 mortgages as security for loans totalling approximately $82,352,916, as follows:

Province	**First Mortgages**			**Second Mortgages**			**Third Mortgages**		
	No.	**Percent**	**Principal**	**No.**	**Percent**	**Principal**	**No.**	**Percent**	**Principal**
British Columbia	12	100%	$ 26,545,000	55	95.52%	$53,307,916	0	-	-
Alberta	0	-	-	0	-	-	0	-	-
Ontario	0	-	-	1	4.48%	$2,500,000	0	-	-
Total	**12**	100.00%	**$26,545,000**	**56**	100.00%	**$55,807,916**	0	-	-

The Company's loans are secured by different property types, as follows:

Property Type	Number of Loans	Aggregate Principal Amount	Percent of Aggregate Principal
Commercial	3	$10,400,000	12.63%
Construction (development)	11	$12,610,000	15.31%
Condominiums	2	$337,000	0.41%
Townhouses	1	100,000	0.12%
Single family homes	45	$38,740,916	47.04%
Multi-family homes	1	$3,750,000	4.55%
Land	5	$16,415,000	19.93%
Totals	**68**	**$82,352,916**	**100.00%**

The LTV ratio of each of the Company's outstanding loans varies. As at the date of this Offering Memorandum, 100% of the aggregate principal amount of the Company's mortgages did not exceed a 75% LTV ratio.

2.4 Long Term Objectives

The Company's long term objectives are:

(a) to establish a pool of high quality loans through prudent investment in mortgages of real property in Canada;

(b) to provide Preferred Shareholders with sustainable income while preserving capital;

(c) to distribute income on an annual basis; and

(d) to continue to qualify as a mortgage investment corporation pursuant to the Tax Act.

The Company will seek to achieve these investment objectives by investing primarily in loans secured by mortgages. The Company's income will primarily consist of interest received on the Mortgages, less fees paid to the Manager and other operating expenses. There is no assurance that the Company will meet its long term objectives. See Item 8 "Risk Factors".

2.5 Short Term Objectives and How We Intend to Achieve Them

The Company's business objectives for the next 12 months are to complete the offering of a sufficient number of Preferred Shares pursuant to this Offering Memorandum to continue the establishment of a high quality loan portfolio.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Offering of Preferred Shares as described in this Offering Memorandum	Next 12 months	$40,000
Investment of Net Subscription Proceeds in loans secured by mortgages	Next 12 months	(1)

(1) The costs to complete the investment of the Net Subscription Proceeds will vary based on the amount of funds actually invested and the different type of mortgages invested in.

2.6 Insufficient Funds

The Company may not raise sufficient funds to accomplish its proposed objectives and there is no assurance that alternative financing will be available. The Company intends to continue to use existing capital and cash flows to carry on its current business.

2.7 Material Agreements

The following is a list of agreements which are material to this Offering and to the Company, which are in effect:

(a) the Management Agreement. See Item 2.2 “The Company’s Business – The Manager”; and

(b) the Credit Facility. See Item 2.7 “Material Contracts – Credit Facility”.

Copies of all contracts referred to above may be inspected during normal business hours at the registered and records office of the Company, located at: 6345 – 197 Street, Langley, BC V2Y 1K8.

Credit Facility

The following is a summary of certain material provisions of the Credit Facility. Pursuant to the Credit Facility, and subject to CWB’s capital requirements, the Company is permitted to borrow additional funds which may be used to make mortgage loans.

Pursuant to the Credit Facility, the Company may borrow up to the lesser of $15,000,000 and, provided the LTV ratio does not exceed 75%, the aggregate of the following eligible mortgages:

(a) 75% of first residential and commercial mortgages in “major regions”;

(b) 70% of first residential and commercial mortgages in “non-major regions”;

(c) 65% of second residential and commercial mortgages in “major regions”;

(d) 60% of second residential and commercial mortgages in “non-major regions”; and

(e) 55% of first and and commercial mortgages in “major regions”.

The Credit Facility also allows the Company to include 55% of first and second residential and commercial mortgages where the LTV ratio is between 76% and 85%.

Under the Credit Facility, “major regions” include the Greater Vancouver Area, Abbotsford, Chilliwack, Port Moody, Maple Ridge, Mission, Pitt Meadows, Aldergrove and Anmore; and “non-major regions” include Kelowna, Whistler and Squamish. All other regions are excluded unless approved by CWB. Notwithstanding anything else to the contrary in the Credit Facility, eligible mortgages in non-major regions cannot exceed 25% and eligible mortgages against commercial properties cannot exceed 20% of the outstanding amount borrowed under the Credit Facility.

Mortgages not eligible under the Credit Facility include:

(a) mortgages securing non-arm’s length loans;

(b) mortgages securing construction loans or loans to entities such as pubs, hotels, motels and senior housing, or on raw or vacant land, gas stations and commercial properties in a non-major region;

(c) mortgages securing loans exceeding $1,500,000 to any one borrower and its related parties for any single property or property group in a major region, and, if the loan exceeds that amount, the portion exceeding $1,500,000 is excluded;

(d) mortgages securing loans of more than $1,000,000 to any one borrower and its related parties for any single property or property group in a non-major region, and, if the loan exceeds that amount, the portion exceeding $1,000,000 is excluded;

(e) second mortgages, where the first mortgage exceeds $2,000,000;

(f) mortgages without an appraisal from an appraiser registered with or licenced by the Appraisal Institute of Canada (AACI) or the Real Estate Institute of BC;

(g) syndicated or shared mortgages;

(h) mortgages at a combined LTV of over 85%;

(i) mortgages with a term exceeding one year;

(j) mortgages more than 90 days in arrears or in foreclosure; and

(k) third or higher mortgages.

Pursuant to the Credit Facility, the Company must provide CWB with audited financial statements within 90 days of the financial year end and unaudited monthly financial statements and a certificate of compliance within 20 days of each month end. In addition, a CWB representative may audit, each quarter, not less than ten of the mortgages or at least 20% of the mortgage portfolio. Further, CWB has restrictred the Company's borrowing such that leverage to capital (i.e., the debt to tangible net worth ratio) is not more than a 0.75:1 ratio (tested monthly). Among other things, CWB also requires the Company to maintain a minimum tangible net worth (shareholders' equity and loans and excluding intangible assets and amounts due from related parties) at not less than $18,750,000 (tested monthly) and cash flow coverage (i.e., cash flow divided by debt service costs) of at least 50:1 (tested monthly).

The Credit Facility is secured by a general security agreement over all of the Company's assets and assignments of mortgages and insurance, all having first priority in favour of CWB, and guarantees from the Manager, the Company's President, H. Tina Mu, and Managing Director, Yu (Peter) Yang.

Any funds borrowed under the Credit Facility are repayable on demand with interest at CWB's prime rate plus 1.25% per year. The Company pays CWB an administration fee for the Credit Facility of $600 per month, a quarterly audit fee of $400, an annual renewal fee of $2,500 and a monthly standby fee of 0.25% per year of the difference between the amount borrowed and the amount available to be borrowed under the Credit Facility.

As of the date of this Offering Memorandum, to the knowledge of the Company, the Company has complied with, and is currently in compliance with, all of the requirements in the Credit Facility.

ITEM 3
INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

Gentai Capital Corporation is the Manager of the Company pursuant to the terms and conditions of the Management Agreement. The head office of the Manager is located at 110 - 8228 Westminster Highway, Richmond, BC V6X 1A6. The Manager is a corporation incorporated under the laws of British Columbia.

The Manager is an affiliate of the Company. The current directors and officers of the Company are also directors and officers of the Manager.

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	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering[(1)]	Number, type and percentage of securities of the issuer held after completion of max. offering[(1)]
JIA, Chen North Vancouver, BC	Principal Holder October 1, 2015	N/A	40 Common Shares (10.0%)	40 Common Shares (10.0%)
JIN, Zi Richmond, BC	Principal Holder October 1, 2015	N/A	40 Common Shares (10.0%) 104,671 Class A Preferred Shares (0.17%)	40 Common Shares (10.0%) 104,671 Class A Preferred Shares (0.07%)
XIAO, Lu Vancouver, BC	Principal Holder October 1, 2015	N/A	40 Common Shares (10.0%)	40 Common Shares (10.0%)
MU, Hongyu Tina Vancouver, BC	President, Director and Principal Holder October 16, 2012	N/A[(2)]	100 Common Shares (25.0%)	100 Common Shares (25.0%)
NI, Yongmei Richmond, BC	Principal Holder October 16, 2012	N/A	100 Common Shares (25.0%)	100 Common Shares (25.0%)
PENG, Dingyuan Chongqing, China	Principal Holder November 24, 2015	N/A	40 Common Shares (10.0%) 51,074 Class A Preferred Shares (0.08%)	40 Common Shares (10.0%) 51,074 Class A Preferred Shares (0.04%)
YANG, Yu (Peter) Vancouver, BC	Managing Director and Corporate Secretary October 16, 2012	N/A[(2)]	-	-
YOU, Yufeng New Westminster, BC	Principal Holder October 1, 2015	N/A	40 Common Shares (10.0%)	40 Common Shares (10.0%)

(1) Includes shares beneficially held, directly or indirectly, or over which control or direction is exercised, by such person but does not include shares held jointly with a spouse. Amounts are as of the date of this Offering Memorandum and are subject to change resulting from share issuances and redemptions. Percentages are calculated based on the number of shares outstanding in each class.
(2) The Company's President and Managing Director do not receive any remuneration from the Company and are remunerated by the Manager.

3.2 Management Experience

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

Name	Position with the Company	Position with the Manager	Principal Occuaption and Related Experience
MU, H. Tina	President and Director	President and Director	H. Tina Mu is the President (since October 2012) and co-founder of the Company and the Manager. She is also the President (since May 2010) and co-founder of Acer Mortgage Lending Corp. ("Acer") (a mortgage brokerage company doing business as Dominion Lending Centres Acer Mortgage). Tina has over 16 years experience in the financial services, real estate and mortgage industries. She received her Master of Business Administration degree from University of Wollongong, Australia in 1999, and is Certified Financial Planner (2004) and a licensed Sub-Mortgage Broker of the Company, the Manager and Has an MBA and is a Certified Financial Planner (CFP) and a licensed Sub-Mortgage Broker of Genesis, the Manager and Acer.
YANG, Yu (Peter)	Managing Director and Director	Corporate Secretary and Director	Yu (Peter) Yang is the Managing Director (since October 2012) and co-founder of the Company and the Manager. He is also a director (since May 2010) and co-founder of Acer. Peter has over 15 years of experience in the financial services, real estate and mortgage industries. He received his Bachelor of Arts from Sichuan Foreign Language Institute in 1991 and is a licensed Sub-Mortgage Broker of the Manager.

3.3 Penalties, Sanctions and Bankruptcy

No penalty or sanction or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last ten years against or with regard to any:

(a) director, senior officer or control person of the Company or Manager, or

(b) any issuer that a person or company referred to in (1) above was a director, senior officer, or control person of at that time.

3.4 Loans

There are no debentures or loans due to or from the directors, management, promoters or principal holders of the Company as at the date of this Offering Memorandum.

ITEM 4
CAPITAL STRUCTURE

4.1 Share Capital

The following are the details of the outstanding securities of the Company as of the date of this Offering Memorandum:

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as of the date of this Offering Memorandum	Number Outstanding after min. Offering	Number outstanding after max. Offering
Common Shares	unlimited	$1.00	400	400	400
Class "A" Preferred Shares	unlimited	$1.00	50,739,965	50,739,965	130,739,965
Class "B" Preferred Shares	unlimited	$1.00	10,463,185	10,463,185	10,463,185
Class "C" Preferred Shares	unlimited	$1.00	0	0	0
Class "D" Preferred Shares	unlimited	$1.00	0	0	0

(1) There are no options, warrants nor other securities convertible into Common Shares or Preferred Shares.

4.2 Long Term Debt Securities

The Company's current and long term indebtedness is as follows:

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at December 22, 2017
Current			
Demand Loan(1)	CWB prime rate + 1.25%	Interest payable monthly & Principal repayable on demand	$ 14,936,636
Long Term			
Term Loans	-	-	nil

(1) The Demand Loan is described under Item 2.7 "Material Agreements – Credit Facility".

4.3 Prior Sales

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

Date of Issuance and Type	Number of Securities Issued	Price per Security	Total Funds Received
Class A Preferred Shares			
January 2017	1,632,500	$1.00	$1,632,500
February 2017	3,251,000	$1.00	$3,251,000
March 2017	2,987,129	$1.00	$2,987,129
March 2017	8,433	$1.00*	$8,433
April 2017	3,246,000	$1.00	$3,246,000
May 2017	2,232,944	$1.00	$2,232,944
June 2017	3,909,505	$1.00	$3,909,505
June 2017	21,889	$1.00*	$21,889
July 2017	5,794,744	$1.00	$5,794,744
August 2017	3,508,731	$1.00	$3,508,731
September 2017	4,378,313	$1.00	$4,378,313
September 2017	794,249	$1.00**	$794,249
October 2017	3,514,000	$1.00	$3,514,000
November 2017	0.00	$1.00	$0
December 2017	100,000	$1.00	$100,000
Total	35,379,467		$35,379,467
Class B Preferred Shares			
September 2017	622,976	$1.00**	$622,976

* Issued in lieu of the Company’s quarterly cash dividend at a deemed price of $1.00 on March 31, 2017 and June 30, 2017.

** Issued in lieu of the Company’s annual cash dividend at a deemed price of $1.00.

4.4 Redemption History

The Company has redeemed Preferred Shares for the periods indicated, as follows:

Class A Preferred Shares

Financial Year	Redemption Requests							
	Opening Outstanding Requests		Received during Financial Year		Paid Out during Financial Year		Ending Outstanding Requests	
2015	0	$0	15	$2,750,804	15	$2,750,804	0	$0
2016	0	$0	19	$11,251,242	19	$11,251,242	0	$0
2017	0	$0	58	$17,147,205	58	$17,147,205	0	$0
2018(1)	0	$0	20	$5,768,332	20	$5,768,332	0	$0

(1) Financial period from October 1, 2017 to the date of this Offering Memorandum.

Class B Preferred Shares

Financial Year	Redemption Requests							
	Opening Outstanding Requests		Received during Financial Year		Paid Out during Financial Year		Ending Outstanding Requests	
2015	0	$0	39	$15,092,863	39	$15,092,863	0	$0
2016	0	$0	20	$10,236,760	20	$10,236,760	0	$0
2017	0	$0	16	$5,469,669	16	$5,469,669	0	$0
2018(1)	0	$0	4	$552,425	4	$552,425	0	$0

(1) Financial period from October 1, 2017 to the date of this Offering Memorandum.

The has paid all redemption requests in full using cash on hand, and, when necessary, funs available under the Credit Facility. The Company expects to redemptions requests to be

We paid all redemption requests in full using cash on hand and, if necessary, funds available from the Credit Facility. We expect redemptions to continue approximately as they have for the last two financial periods and do not expect that such redemptions will cause any adverse effect on the Company's operations or payment of income distributions

ITEM 5
SECURITIES OFFERED

5.1 Terms of Preferred Shares

The Company is offering up to 80,000,000 Class "A" Preferred shares, without par value (which are referred to herein as the "Preferred Shares) pursuant to this Offering Memorandum.

In addition to the Class A Preferred shares, the Company is authorized to issue the following shares:

(a) Common shares, without par value (each, a "Common Share");

(b) Class "B" Preferred shares, without par value (each, a "Class B Share");

(c) Class “C” Preferred shares, without par value (each, a “Class C Share”); and

(d) Class “D” Preferred shares, without par value (each, a “Class D Share, and together with the Preferred Shares, the Class B Shares and the Class C Shares, the “Preferred Classes”).

The principal rights and restrictions attaching to the capital of the Company are as follows:

Class	**Annual Dividend**	**Redemption**	**Redemption Amount**	**Voting**
Preferred Shares	8%	One year from issuance	$1.00	No
Class B Shares	Pro rata share of net income after payment of dividends on Class A shares	Immediately	Net book value (which is expected to be $1.00) per share, less a discount of: • 4% if redeemed within first 12 months from issuance; • 3% if redeemed between 13 to 24 months from issuance; • 2% if redeemed between 25 to 36 months from issuance; and • 1% if redeemed between 37 to 48 months from issuance. No discount if redeemed after 48 months from issuance.	No
Class C Shares	Pro rata share of net income after payment of dividends on Class A shares	Immediately	Net book value (which is expected to be $1.00) per share, less a discount of: • 3% if redeemed within first 12 months from issuance; • 2% if redeemed between 13 to 24 months from issuance; and • 1% if redeemed between 25 to 36 months from issuance. No discount if redeemed after 36 months from issuance.	No
Class D Shares	Pro rata share of net income after payment of dividends on Class A shares	Immediately	Net book value (which is expected to be $1.00) per share, less a discount of: • 2% if redeemed within first 12 months from issuance; and • 1% if redeemed between 13 to 24 months from issuance. No discount if redeemed after 24 months from issuance.	No

All of the Company’s shares issued to date are, and those issued pursuant to this Offering Memorandum will be, fully paid and non-assessable.

Voting

The Preferred Classes do not have any right to vote except in respect of any amendment to special rights and privileges attaching thereto. The Common Shares are entitled to vote, and each has one vote at every meeting of shareholders.

Distribution of Profits

Each financial year, the Company distributes to the holders of the Preferred Classes all of the Company’s net profits and half of the net capital gains for that financial year. This is done through four distributions to each Preferred Class outstanding as at the end of the first, second and third financial quarters, with the fourth and final distribution being made within 90 days after the financial year end. The distributions may be made by the issuance of further Preferred Classes or by way of cash, or a combination of both, as elected by the shareholder.

Redemption of Shares

Holders of the Preferred Classes may require us to redeem some or all of their Preferred Classes by sending a request for redemption by registered mail or courier to the Company. Preferred Classes will be redeemed on a monthly basis provided the Company is given at least 30 days notice of redemption. The Company may, without notice to shareholders, change the redemption provisions to annual redemptions as set out in the Company's Articles, which provide that the Company is only required to redeem Preferred Classes within 90 days of the date of receipt of notice of redemption, so long as the notice is received on or before July 3rd (being 90 days before the Company's financial year end of September 30th). For any redemption, the Company will redeem Preferred Classes at book value at such time less any applicable discount for early redemption plus any unpaid cash distributions and interest thereon from the receipt of the request to the date of payment. After appropriate notice to redeem Preferred Classes has been delivered to the Company, any unpaid cash distributions on the Preferred Classes to be redeemed will only be paid in cash and may not be used to reinvest in further Preferred Classes.

The Company will not redeem Preferred Classes if such redemption would result in the Company not meeting the requirements for a MIC under the Tax Act or the solvency requirements of the *Business Corporations Act* (British Columbia).

Transferability

The Preferred Classes are subject to restrictions on transfer as contained in the Company's Articles and as imposed by applicable securities legislation. See Item 10 "Resale Restrictions".

The Company's Articles provide that a holder of a Preferred Class hareholder cannot transfer any of their Preferred Shares without the consent of the Company's Board of Directors. The Company will permit transfers to a shareholder's Deferred Plan or a Deferred Plan owned by the shareholder's spouse.

The Tax Act requires that a MIC have no fewer than 20 shareholders and no one shareholder (including the shareholder's spouse and children under 18, and companies controlled by any of them and the shareholder) to hold more than 25% of its issued shares. Accordingly, the Company's Articles also prohibit any transfer of shares if it would result in the Company having fewer than 20 shareholders, in any one shareholder holding more than 25% of issued shares or any other situation that would be contrary to such requirements.

Conversion

The Preferred Classes are not convertible into any other form of share or security of the Company.

Liquidation

Upon liquidation, dissolution or wind-up, the proceeds after payment of all expenses and outstanding indebtedness will be paid to the holders of the Preferred Classes in proportion (and up to) the amount paid to the Company for such Preferred Classes. If any net proceeds remain, the holders of Common Shares will share in the remaining proceeds in proportion (and up to) the amount paid to the Company for such Common Shares. Finally, if any net proceeds still remain, the holders of the Common Shares and Preferred Classes shall equally split such remaining proceeds in proportion to the number of shares (Common and Preferred) held. Since the Company pays out all of its net profits and taxable capital gains each year, it is possible that on a liquidation, dissolution or winding-up, the Company's shareholders may not be paid the full amount paid for their shares.

Amendment of Terms

The terms of the Preferred Classes may only be amended by a vote of not less than three-quarters of the holders of the Preferred Classes representing at least three-quarters of the outstanding Preferred Classes.

5.2 Subscription Procedure

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 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.

This Offering is being made in accordance with certain statutory prospectus and, where applicable, registration exemptions contained in securities legislation in the jurisdictions in which the Preferred Shares are being offered. Such exemptions relieve the Company from provisions under such statutes requiring the Company to file a prospectus and utilize a registered securities dealer to sell the Preferred Shares. As such, investors will not receive the benefits associated with purchasing the Preferred Shares pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority in such jurisdictions, or the benefits associated with the involvement of such registrants.

In order to subscribe for Preferred Shares, investors must be within one of the following categories:

(a) an "accredited investor" as such term is defined in National Instrument 45-106 ("NI 45-106"), provided the subscriber delivers a signed risk acknowledgement form in the form required by NI 45-106, if applicable; or

(b) a resident in British Columbia, who acknowledges having received and read a copy of this Offering Memorandum and delivers a signed risk acknowledgement form in the form required by NI 45-106; or

(c) resident in Manitoba or Yukon, who acknowledges having received and read a copy of this Offering Memorandum and delivers a signed risk acknowledgement form in the form required by NI 45-106 and is either:

  (i) an "Eligible Investor" (as defined in Nl 45-106); or

  (ii) purchasing a number of Preferred Shares which have an aggregate Subscription Price of less than $10,000; or

(d) resident in Alberta, Ontario or Saskatchewan, who acknowledges having received and read a copy of this Offering Memorandum and delivers a signed risk acknowledgement form, including Schedule 1 Classification of Investors under the Offering Memorandum Exemption, in the form required by NI 45-106 and the acquisition cost of all securities acquired by the subscriber who is an individual in the preceding 12 months does not exceed the following amounts:

  (i) in the case of a subscriber that is not an "Eligible Investor", $10,000;

  (ii) in the case of a subscriber that is an "Eligible Investor", $30,000;

  (iii) in the case of a subscriber that is an "Eligible Investor" and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, $100,000,

  provided, however, that the investment limits described in (d)(i) and (ii) above do not apply if the subscriber is an "accredited investor" or a person described in Section 2.5(1) of NI 45-106; or

(e) acquiring Preferred Shares that have a Subscription Price of not less than $150,000, provided the conditions of Section 2.10 of NI 45-106 are satisfied.

Notwithstanding the foregoing, Preferred Shares may be issued pursuant to other available exemptions from the prospectus requirements of applicable securities legislation provided the conditions of such exemptions are satisfied.

Investors may subscribe for Preferred Shares by returning to the Company at 110 - 8228 Westminster Highway, Richmond, BC V6X 1A6 the following:

(a) a completed Subscription Form; and

(f) a certified cheque or bank draft in an amount appropriate for the number of Preferred Shares subscribed for, payable to "Genesis Mortgage Investment Corp."

Each investor will also be required to sign two copies of a Risk Acknowledgment (Form 45-106F4 with Schedule 1 Classification of Investors Under the Offering Memorandum Exemption for Alberta, Saskatchewan and Ontario subscribers), and in accordance with the requirements of NI 45-106 and, if applicable, two further copies of a Risk Acknowledgment Form (Appendix A to BC Instrument 32-517). Each investor that is an individual that is relying on the "accredited investor" exemption in Section 2.3 of NI 45-106 will also be required to sign two copies of a Risk Acknowledgment Form (Form 45-106F9), in accordance with the requirements of NI 45-106. In accordance with the requirements of NI 45-106, the Company will hold the subscription monies advanced by each investor in trust for the investor until midnight on the second business day after the Subscription Form is signed by the investor

Each investor will also be required to sign two copies of a Risk Acknowledgment (Form 45-106F4), attached as Appendix A to the Subscription Form before signing the Subscription Form, in accordance with the requirements of NI 45-106 and two further copies of a Risk Acknowledgment Form (Appendix A to BC Instrument 32-517). Each investor that is an individual that is relying on the "accredited investor" exemption in Section 2.3 of NI 45-106 will also be required to sign two copies of a Risk Acknowledgment Form (Form 45-106F9), in accordance with the requirements of NI 45-106. In accordance with the requirements of NI 45-106, the Company will hold the subscription monies advanced by each investor in trust for the investor until midnight on the second business day after the Subscription Form is signed by the investor.

Subscriptions received will be subject to rejection or allotment by the Company in whole or in part. The Company is not obliged to accept any subscription. If any subscription is not accepted, the Company will promptly return to the subscriber the Subscription Form and the money comprising such subscription. Confirmation of acceptance of a subscription will be forwarded to the subscriber by the Company. The Company reserves the right to close the subscription books at any time without notice. The original share certificates are kept by the Company, in its corporate records, unless you subscribe for your shares through a Deferred Plan, in which case the original share certificates will be sent to the financial institution administering your Deferred Plan. The Company will provide you with a copy of your share certificate for your records on your request.

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.

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 ELIGIBILITY FOR INVESTMENT

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. This summary is not applicable to any Preferred Shareholder which is a "financial institution" or "specified financial institution" as defined in 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.

6.2 Status as a Mortgage Investment Corporation

This summary is based on the assumption that the Company qualifies as a mortgage investment corporation under 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 corporation 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 or immovable property;

(c) no debts are owed to the Company that are secured on real or immovable property situated outside of Canada;

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

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

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

(g) the Company has at least 20 shareholders, and no person is a "specified shareholder" of the Company, as that term is defined in 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 (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) any holders of preferred shares of the Company (as defined for the purposes of the Tax Act) have a right, after payment to them of their preferred dividends, and payment of dividends in a like amount per share to the holders of common shares (as defined for the purposes of the Tax Act) to participate pari passu with the holders of common shares in any further payment of dividends;

(i) the cost amount of the Company's property represented by Loans on houses (as defined in section 2 of the *National Housing Act*) or on property included within a housing project (as defined in section 2 as it read on June 16, 1999), together with cash on hand and deposits with a bank or any other lender whose deposits are insured by the Canada Deposit Insurance Corporation or a credit union, (collectively, the "Qualifying Property") is at least 50% of the cost amount to it of all of its property;

(j) the cost amount of real or immovable 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

(k) 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 corporation for the purposes of the Tax Act, 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 one-half of such dividend from its taxable income. 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. The Company will be subject to tax at the general corporate tax rate. However, at this time the Company intends to declare dividends and capital gains dividends each year in sufficient amounts to reduce its taxable income to nil. Notwithstanding the foregoing, the Company may retain earnings as it may deem advisable, for example if required to bring the Net Asset Value per Preferred Share up to the Subscription Price.

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 under Part IV of the Tax Act on certain investment income, including amounts in respect of interest and taxable capital gains. The refundable tax is to be added to such corporation’s refundable dividend tax on-hand account and will be eligible for refund upon subsequent payment of taxable dividends by the Company.

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 retirement income fund (“RRIF”), tax-free savings account (“TFSA”), registered education savings plan (“RESP”), registered disability savings plan (“RDSP”), or tax-free savings account (“TFSA”) all as defined under the Tax Act (collectively, “Deferred Plans”) 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 an annuitant, 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 Preferred Shares cease to be a qualified investment for a Deferred Plan, the Deferred Plan will be subject to a penalty tax.

Notwithstanding that the Preferred Shares may be qualified investments for a trust governed by a Deferred Plan, the annuitant, subscriber, or holder of the Deferred Plan will be subject to a penalty tax if the Preferred Shares are a “prohibited investment” for Deferred Plan for the purposes of the Tax Act. The Class A Shares will generally not be a “prohibited investment” provided that the annuitant, subscriber, or holder of the Deferred Plan deals at arm’s length with the Company for the purposes of the Tax Act and does not have a “significant interest”, as defined in the Tax Act, in the Company or in a corporation, partnership or trust that does not deal at arm's length with the Company for purposes of the Tax Act. A “significant interest” in a corporation generally means ownership of 10% or more of the issued shares of any class of the capital stock of the corporation (or of any related corporation), either alone or together with persons with which the shareholder does not deal at arm's length for purposes of the Tax Act. **Prospective purchasers who intend to hold Preferred Shares in a Deferred Plan are urged to consult their own tax advisors to ensure that the Preferred Shares would not constitute a “prohibited investment” in their particular circumstances.**

Notwithstanding that the Preferred Shares may be qualified investments for a trust governed by an RRSP, RRIF or TFSA, the annuitant of an RRSP or RRIF or the holder of a TFSA will be subject to a penalty tax if the Preferred Shares are a “prohibited investment” for the RRSP, RRIF or TFSA for the purposes of the Tax Act. The Preferred Shares will generally not be a “prohibited investment” provided that the holder or annuitant of the RRSP, RRIF, or TFSA deals at arm’s length with the Company for the purposes of the Tax Act and does not have a “significant interest”, as defined in the Tax Act, in the Company or in a corporation, partnership or trust that does not deal at arm's length with the Company for purposes of the Tax Act. A “significant interest” in a corporation generally means ownership of 10% or more of the issued shares of any class of the capital stock of the corporation (or of any related corporation), either alone or together with persons with which the shareholder does not deal at arm's length for purposes of the Tax Act. **Prospective purchasers who intend to hold Preferred Shares in a RRSP, RRIF or TFSA are urged to consult their own tax advisors to ensure that the Preferred Shares would not constitute a “prohibited investment” in their particular circumstances.**

ITEM 7
COMPENSATION PAID TO SELLERS AND FINDERS

The Company may pay a sales fee to registered securities dealers, or where permitted non-registrants, in an amount not to exceed 4% of the subscription monies obtained by such persons, payable at the time of the initial investment. To the extent that the Company is responsible for the payment of compensation to securities dealers, the funds available to the Company will be reduced.

ITEM 8
RISK FACTORS

The purchase of Preferred Shares involves a number of risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following factors.

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.

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, interest 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 Real Properties under development may be riskier than investments in Mortgages on existing Properties.

Conflicts of Interest

The Manager 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 Manager, Affiliates of the Manager, 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 Manager. The risk exists that such conflicts will not be resolved in the best interests of the Company and the Preferred Shareholders. However, the Manager will make any decision involving the Company or the Preferred Shareholders in accordance with its duty to deal honestly and in good faith.

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.

Subordinate and Non-Conventional Financing

Subordinate financing which will 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 intends to make investments in Mortgages where the loan exceeds 85% of the value of the Real Property which is mortgaged, which exceeds the typical investment limit for conventional mortgage lending.

Composition of Loan Portfolio

The composition of the Loan Portfolio may vary widely from time to time and may be concentrated by type of mortgage, industry, or geographic region, resulting in the Loan 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 mortgage, industry or geographic region.

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 Manager and its principals in selecting such investments and negotiating the pricing and other terms of the agreements leading to the acquisition of such investments.

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.

Marketability of Preferred Shares

There is currently no market for the Preferred Shares and it is not anticipated that any market will develop. The Preferred Shares are not transferable, except as approved by the Company. Consequently, holders of Preferred Shares will not be able to resell their Preferred Shares. See Item 10 "Resale Restrictions".

Redemption Matters

Changes in economic conditions and other factors may cause Preferred Shareholders to redeem their Preferred Shares and could cause a shortfall in funds available to meet redemptions or dividends to the Preferred Shareholders. 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. To the extent the average share capital per Preferred Share is less than the redemption price, a portion of the redemption price paid will represent a taxable dividend rather than repayment of capital.

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 Consequences and Eligibility for Investment".

Other Activities of the Manager

The Manager is not in any way limited or affected in its ability to carry on business ventures for its own account and for the account of others and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Company. In addition, the Manager and its Affiliates may establish in the future other investment vehicles which have or may have investment objectives that are the same as or similar to those of the Company and to act as adviser and/or Manager to such vehicles.

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.

ITEM 1
REPORTING OBLIGATIONS

Because the Company is not a "reporting issuer" as defined in the applicable securities legislation, the continuous reporting requirements of those statutes do not generally apply to the Company.

The Company is not required to send you any documents on an annual or ongoing basis. The Company will, however, on or before that date which is 90 days following the end of the Company's Fiscal Year, provide to each Preferred Shareholder audited financial statements and all other information required to file Canadian income tax returns.

ITEM 2
RESALE RESTRICTIONS

The Preferred Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, subscribers will not be able to trade the Preferred Shares unless they comply with an exemption from the prospectus and registration requirements under securities legislation. For subscribers resident in British Columbia, unless permitted under securities legislation, Investors cannot trade the securities 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 does not intend to become a reporting issuer at any time, with the result that the Preferred Shareholders may never be able to trade or re-sell their Preferred Shares.

ITEM 3
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.

Two Day Cancellation Right - You can cancel your Subscription Agreement to purchase these securities. To do so, you must send a notice to the Company by midnight on the 2nd business day after you sign the subscription agreement to buy the securities.

Statutory Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the offering jurisdictions provide you with a remedy to sue to cancel your agreement to buy the Preferred Shares or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a "**misrepresentation**" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are 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. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. Subscribers should refer to the applicable securities laws of their respective offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Investors in British Columbia, Alberta and Manitoba

If you are a resident in British Columbia, Alberta or Manitoba and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

(a) the Company to cancel your agreement to buy the Preferred Shares; or

1.1 for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum, and every person or company who signed this Offering Memorandum.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

In British Columbia and Alberta you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

In Manitoba, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) two years after the day of the transaction.

Investors in Ontario

If you are a resident of Ontario and there is a misrepresentation in this Offering Memorandum, together with any amendment to it, you have a statutory right to sue:

(a) the Company to cancel your agreement to buy the Preferred Shares; or

(b) for damages against the Company.

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 Preferred Shares. 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 Preferred Shares.

You must commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation; or (ii) three (3) years after you signed the agreement to purchase the Preferred Shares.

A misrepresentation is defined in the *Securities Act* (Ontario) as an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary in order to make any statement therein not misleading in light of the circumstances in which it is made. A material fact, when used in relation to securities issued or proposed to be issued, is defined in the *Securities Act* (Ontario) as a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities.

Investors in Saskatchewan

If you are resident in Saskatchewan and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, subject to certain limitations, you have a statutory right to sue:

(a) the Company to cancel your agreement to buy the Preferred Shares; or

(b) for damages against:

(i) the Compnay, every person who was a director or the promoter of the Company, respectively, at the date of this Offering Memorandum,

(ii) every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them,

(iii) every person who, or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed this Offering Memorandum, and

(iv) every person who, or company that, sells the Preferred Shares on behalf of the Company under this Offering Memorandum.

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

You must commence your action for damages within the earlier of: (i) one year after learning of the misrepresentation; or (ii) six (6) years after you signed the agreement to purchase the Preferred Shares.

In addition, subject to certain limitations, where any advertising or sales literature (as such terms are defined in the Saskatchewan securities legislation) disseminated in connection with the offering contains a misrepresentation, a purchaser who purchases Preferred Shares referred to in that advertising or sales literature has a right of action against the Company, every promoter and director of the Company, and every person who or company that sells Preferred Shares under the offering with respect to which the advertising or sales literature was disseminated. In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Preferred Shares and the verbal statement is made either before or contemporaneously with the purchase of Preferred Shares, the purchaser has a right of action for damages against the individual who made the verbal statement.

You should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.

You should consult your own legal advisers with respect to your rights and the remedies available to you. The rights discussed above are in addition to and without derogation from any other rights or remedies, which you may have at law.

ITEM 4
FINANCIAL STATEMENTS

Financial Statements
(Expressed in Canadian dollars)

GENESIS MORTGAGE INVESTMENT CORP.

Year ended September 30, 2017

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Genesis Mortgage Investment Corp.

We have audited the accompanying financial statements of Genesis Mortgage Investment Corp., which comprise the statement of financial position as at September 30, 2017, the statements of income and comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Genesis Mortgage Investment Corp. as at September 30, 2017 and its results of operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Comparative Information

The financial statements of Genesis Mortgage Investment Corp. as at and for the year ended September 30, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 22, 2016.

KPMG LLP

Chartered Professional Accountants

December 22, 2017
Vancouver, Canada

GENESIS MORTGAGE INVESTMENT CORP.

Statement of Financial Position
(Expressed in Canadian dollars)

September 30, 2017, with comparative information for 2016

	Note	2017	2016
Assets			
Cash		$ 953	$ 4,072
Prepaid expenses		4,944	-
Mortgage receivable	5	74,625,116	53,920,630
Foreclosed property held-for-sale	8	1,408,504	1,301,250
		$ 76,039,517	$ 55,225,952
Liabilities and Shareholders' Equity (Deficiency)			
Bank indebtedness	6	$ 11,327,603	$ 9,414,203
Accounts payable and accrued liabilities		30,288	137,541
Distribution payable to preferred shareholders	9	689,270	486,407
Due to related parties	7	242,234	77,511
Redeemable preferred shares	9	63,895,971	45,256,139
		76,185,366	55,371,801
Shareholders' equity (deficiency):			
Share capital	9	400	400
Retained earnings (deficit)		(146,249)	(146,249)
		(145,849)	(145,849)
		$ 76,039,517	$ 55,225,952

See accompanying notes to financial statements.

Approved on behalf of the Board:

Peter Yang — Director

Tina Mu — Director

GENESIS MORTGAGE INVESTMENT CORP.

Statement of Income and Comprehensive Income (loss)
(Expressed in Canadian dollars)

Year ended September 30, 2017, with comparative information for 2016

	Note	2017	2016
Revenue:			
Mortgage interest		$ 5,999,692	$ 4,718,342
Other income		50,394	49,859
		6,050,086	4,768,201
Expenses:			
Advertising and promotion		151,472	115,694
Bank charges		19,900	17,044
Commitment fee		25,000	10,000
Interest		385,469	345,301
Licenses, dues and fees		10,179	10,862
Management fees	7	1,350,709	991,282
Office and miscellaneous		24,939	16,572
Professional fees		43,902	71,691
		2,011,570	1,578,446
Income before other item		4,038,516	3,189,755
Impairment on foreclosed property held-for-sale		-	143,838
Net income before distributions on preferred shares		4,038,516	3,045,917
Distributions to preferred shareholders		4,038,516	3,215,789
Net income (loss) and comprehensive income (loss)		$ -	$ (169,872)

See accompanying notes to financial statements.

GENESIS MORTGAGE INVESTMENT CORP.

Statement of Changes in Equity
(Expressed in Canadian dollars)

Year ended September 30, 2017, with comparative information for 2016

	Issued capital					
	Number of shares		Amount		Retained earnings (deficit)		Shareholders' equity (deficiency)
Balance, September 30, 2015	400	$	400	$	23,623	$	24,023
Comprehensive loss	-		-		(169,872)		(169,872)
Balance, September 30, 2016	400		400		(146,249)		(145,849)
Comprehensive loss	-		-		-		-
Balance, September 30, 2017	400	$	400	$	(146,249)	$	(145,849)

See accompanying notes to financial statements.

GENESIS MORTGAGE INVESTMENT CORP.

Statement of Cash Flows
(Expressed in Canadian dollars)

Year ended September 30, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Cash flows from operating activities:		
Net income (loss)	$ -	$ (169,872)
Items not involving cash:		
Impairment on asset held-for-sale	-	143,838
Interest income	(5,999,692)	(4,718,342)
Dividends declared	4,038,516	3,215,789
	(1,961,176)	(1,528,587)
Accounts receivable	-	500
Prepaid expenses	(4,944)	5,000
Accounts payable and accrued liabilities	(107,253)	129,062
Due to related parties	164,723	(287,910)
Deferred revenue	758,590	264,917
Foreclosed property held-for-sale	(107,254)	(181,014)
Distribution payable to preferred shareholders	202,862	486,407
	(1,054,452)	(1,111,625)
Interest received	5,793,117	4,644,640
Net cash provided by operating activities	4,738,665	3,533,015
Cash flows from financing activities:		
Proceeds from issuance of redeemable preferred shares	39,809,160	36,429,804
Redemption of redeemable preferred shares	(22,616,875)	(21,488,002)
Dividends paid	(2,590,969)	(1,827,103)
Increase in loans	956,000	4,400,000
Repayment of loans	(956,000)	(4,755,000)
Net cash provided by financing activities	14,601,316	12,759,699
Cash flows from investing activities:		
Mortgage investments	(71,160,500)	(62,713,000)
Proceeds from mortgage investments	49,904,000	44,235,760
Net cash used in investing activities	(21,256,500)	(18,477,240)
Decrease in cash	(1,916,519)	(2,184,526)
Bank indebtedness, beginning of year	(9,410,131)	(7,225,605)
Bank indebtedness, end of year	$ (11,326,650)	$ (9,410,131)
Bank indebtedness represented by:		
Cash at bank	$ 953	$ 4,072
Bank overdraft	(11,327,603)	(9,414,203)
	$ (11,326,650)	$ (9,410,131)

See accompanying notes to financial statements.

1. Nature of operations and going concern:

Genesis Mortgage Investment Corp. (the "Company") is a non-bank lender domiciled in Canada. The Company's corporate office and principal place of business is located at 110 - 8228 Westminster Highway, Richmond, British Columbia, V6X 1A6. The Company was incorporated under the Business Corporations Act of British Columbia on October 16, 2012.

The investment objective of the Company is to provide preferred shareholders with income generated from a diversified portfolio of mortgage loan investments (also referred to as mortgages), while preserving the Company's capital. The Company engaged Gentai Capital Corporation, formerly known as Genesis Capital Corporation (the "Fund Manager"), as the fund manager of the Company responsible for the day to day operations and providing all general management and administrative services of the Company's mortgage loan portfolio. Gentai Capital Corporation is a related company with certain common directors and officers.

2. Basis of preparation:

(a) Statement of compliance:

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

These financial statements (including comparative figures) were approved by the Board of Directors on December 22, 2017.

(b) Basis of measurement:

These financial statements are prepared on an accrual basis and are based on historical cost basis except for foreclosed properties held for sale which are measured at fair value.

(c) Functional and presentation currency:

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

2. Basis of preparation (continued):

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. It also requires management to exercise judgment in applying the Company's accounting policies.

The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements are as follows:

Mortgage investments

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

Foreclosed property held for sale

The Company uses management's best estimate to determine fair value of the property, which may involve frequent inspections, engaging realtors to assess market conditions based on previous property transactions or retaining professional appraisers to provide independent valuations. Refer to accounting policy note 4 (c) for further information.

3. New accounting standards:

A number of new standards, amendments to standards, are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these financial statements. Potential changes are as follows:

(a) In July 2014, the IASB issued IFRS 9 *Financial Instruments*, which is the comprehensive standard to replace IAS 39 Financial Instruments: *Recognition and Measurement*, and includes requirements for classification and measurement of financial assets and liabilities. It also amends the impairment model by introducing a new “expected credit loss” model for calculating impairment.

The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on October 1, 2018. The Company is still in the process of determining the impact of adoption of IFRS 9.

(b) In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. IFRS 15 specifies how and when to recognize revenue as well as requiring specific disclosures to provide users more relevant information relating to revenue. The standard supersedes IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and a number of revenue-related interpretations. IFRS 15 will apply to all contracts with customers except for leases, financial instruments and insurance contracts. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning October 1, 2018. The extent of the impact of adoption of IFRS 15 has not yet been determined.

4. Significant accounting policies:

(a) Cash and cash equivalents:

The Company considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents.

4. Significant accounting policies (continued):

(b) Mortgage investments:

Mortgage investments are initially recognized at fair value plus any attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. A mortgage investment is considered impaired when there is objective evidence that there has been a deterioration of credit quality subsequent to its initial recognition to the extent that the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest. The Company assesses impairment of mortgage investments at each reporting date. Estimation and judgement is required as to the timing of designating a mortgage as impaired and the amount of any provision required. An impairment loss is calculated as the difference between the carrying amount of the mortgage investment and the present value of the estimated future cash flows discounted as the original effective interest rate. Losses are charged to profit or loss for the period. When a subsequent event causes the amount of impairment loss to decrease, the provision for mortgage losses is reversed to the profit or loss.

(c) Foreclosed property held for sale:

When the Company obtains legal title of the underlying security of an impaired mortgage investment, the carrying value of the mortgage investment, which comprises principal, costs incurred, accrued interest and the related provision for mortgage investment loss, if any, is reclassified from mortgage investments to foreclosed property held for sale (“FPHFS”). At each reporting date, FPHFS are measured at fair value, with changes in fair value recorded in profit or loss in the period they arise. The Company uses management’s best estimate to determine fair value of the property, which may involve frequent inspections, engaging realtors to assess market conditions based on previous property transactions or obtaining property appraisals from independent valuation specialists.

(d) Revenue recognition:

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the entity and when the amount of the revenue can be measured reliably.

Mortgage interest income is accounted for using the effective interest method over the term of the mortgage.

4. Significant accounting policies (continued):

(e) Income taxes:

It is the intention of the Company to qualify as a mortgage investment corporation ("MIC") under section 130.1 of the Income Tax Act (Canada) (the "Tax Act"). A MIC is able to deduct, in computing its income for a taxation year, dividends paid to its shareholders during the year or within 90 days of the end of the year to the extent that those dividends were not deducted previously.

Actual qualification as a MIC will depend upon meeting the various conditions imposed under the Tax Act throughout the year. Management believes that all conditions necessary for qualification as a MIC under the Tax Act have been met in the current and all previous reporting periods. In addition, the Company intends to pay sufficient dividends to its shareholders in the current year and in future years to ensure that it will not be subject to income taxes. Accordingly, no provision for current or deferred income taxes has been made for financial statement purposes.

(f) Share capital:

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

Redeemable preferred shares are classified as a liability as they are redeemable at the option of the holder and are therefore considered current.

(g) Financial instruments:

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either at FVTPL or other financial liabilities. Financial instruments comprise cash, amounts receivable, mortgage investments, bank overdraft, accounts payable, distribution payable to preferred shareholders, loans payable, amounts due to related parties and redeemable preferred shares. The Company does not use any derivative or hedging instruments. Transaction costs related to financial instruments other than at FVTPL are capitalized as part of the cost of the financial instrument.

At initial recognition management has classified financial assets and liabilities as follows:

(*i*) Financial assets:

The Company has classified its cash at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

4. Significant accounting policies (continued):

(g) Financial instruments (continued):

(*i*) Financial assets (continued):

Amounts receivable and mortgage investments are classified as loans and receivable. Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

(*ii*) Financial liabilities:

The Company has classified its bank overdraft, accounts payable, distribution to preferred shareholders, loans payable, amounts due to related parties and redeemable preferred shares as other financial liabilities. Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost using the effective interest method. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

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

(*iii*) Impairment of financial assets:

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(Expressed in Canadian dollars)

4. Significant accounting policies (continued):

(h) Provisions:

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

5. Mortgage investments:

	2017	2016
Interest in first mortgage	$ 23,145,000	$ 6,497,000
Interest in second mortgage	52,232,416	47,623,915
	75,377,416	54,120,915
Accrued mortgage interest	660,898	454,323
Deferred mortgage interest	(1,413,198)	(654,608)
	$ 74,625,116	$ 53,920,630

Mortgage investments are secured by real properties to which they relate, bearing interest at a weighted average interest rate of 10.14% (2016 - 10.0%).

All of the mortgage investments contain a prepayment option, whereby the borrower may repay the principal at any time prior to maturity, subject to payment of an interest penalty that is specific to each mortgage.

As part of the assessment of impairment, the Fund Manager routinely reviews each mortgage investment for changes in credit quality of the mortgage and underlying real estate assets and determines whether such changes result in the carrying value of the mortgage being in excess of its fair value. During the current year, the Fund Manager has identified no mortgage investments subject to impairment. Therefore, no provision has been recorded.The mortgage investments are used to secure the Company’s line of credit (see note 6).

6. Bank indebtedness:

Pursuant to an overdraft lending agreement dated October 28, 2014 and amended on May 11, 2015, March 30, 2016 and December 28, 2016 with the Canadian Western Bank (the “Bank”), the Company was extended a line of credit (overdraft) of up to $5,000,000 that was increased to $8,000,000 on May 11, 2015, and subsequently increased to $10,000,000 on March 30, 2016, and subsequently increased to $15,000,000 on December 28, 2016.

The line of credit is due on demand, and bears interest at the Bank’s prime lending rate plus 1.25% per annum to be repaid monthly. The loan requires a general security agreement of the Company’s present and future property, general assignment of mortgages and general assignment of insurance interest held by the Company in favour of the Bank, full liability guarantee from Gentai Capital Corporation, assignment and postponement of creditor’s claim (loans and promissory notes) by Gentai Capital Corporation, and waiver of creditor business line of credit life insurance executed by the President and Managing Director of Gentai Capital Corporation. The Company is also required to comply with the Bank’s margin requirements, debt to tangible net worth ratio, tangible net worth threshold and debt service coverage. The Company also agreed not to become a guarantor or allow any further encumbrances of its assets without the Bank’s prior consent.

As at September 30, 2017, the Company has an overdraft of $11,327,603 (2016 - $9,414,203) including accrued interest of $40,226 (2016 - $30,558) on the line of credit.

7. Related party transactions and balances:

The below related party transactions and balances took place in the normal course of operations and are not disclosed elsewhere in the financial statements.

(a) Fund manager fees:

Pursuant to a management and administration agreement dated October 1, 2014 with the Fund Manager, and subsequently amended on January 4, 2016, the Fund Manager agreed with the Company to provide a complete range of management services including management, brokerage, supervision and administration of the Company’s entire mortgage investments portfolio. In consideration of the services provided, the Company agreed to pay a management fee equal to 2% of the funds under management of the Company, calculated on a monthly basis and paid on the first business day of the following month. Funds are defined as the total of (*i*) the Company’s outstanding preferred share capital, (*ii*) the upper limit amount of the Company’s credit facility with its bankers, and (*iii*) the outstanding amounts due under other loans borrowed to fund the mortgage investments. If, however, the annual return for the Company’s Class A Preferred Shares or Class B Preferred Shares is less than 8%, the management fee will be repaid to the Company within three months after the Company’s fiscal year end so that the Fund Manager shall not receive any management fee for such preceding fiscal year.

7. Related party transactions and balances (continued):

(a) Fund manager fees (continued):

The Fund Manager is a related company with certain common directors and officers (see note 1).

For the year ended September 30, 2017, the Company incurred management fees of $1,350,709 (2016 - $991,282) to the Fund Manager.

For the year ended September 30, 2017, the Fund Manager received $366,900 (2016 - $590,183) of commitment fees as a result of new mortgage investments made during the year.

As at September 30, 2017, amounts due to the Fund Manager of $242,234 (2016 - $77,511) are unsecured, non-interest bearing and due on demand.

(b) Related party loan:

During the year ended September 30, 2017, the Company received a loan of $136,000 (2016 - $450,000) from the Fund Manager. The loan was interest bearing at 8% per annum, unsecured and due on demand. The loan amount of $136,000 plus interest of $176 was fully repaid in 2017.

(c) Key management personnel:

The compensation to the senior management of the Manager is paid through management fees paid to the Manager. There was no compensation paid to the Board of Directors.

8. Foreclosed property held-for-sale:

As at September 30, 2017, there is one foreclosed property held for sale (“FPHFS”) (2015- one) which is recorded at fair value of $1,408,504 (2016 - $1,301,250). The fair value has been categorized as level 3 fair value, based on inputs to the valuation techniques used based on internal assessments.

The fair value measurement has been categorized as a level 3 fair value based on inputs to the valuation techniques used. During the year ended September 30, 2016, the company engaged an independent real estate broker and an independent professional appraiser to determine the fair value of the property as of September 30, 2016. At September 30, 2017 the company estimates the fair value to remain unchanged from 2016 and therefore no adjustment to fair value, other than capital improvements, has been made. It is management’s expectation that the land will be sold on or prior to September 30, 2018.

(Expressed in Canadian dollars)

8. Foreclosed property held-for-sale (continued):

The changes in the FPHFS during the years ended September 30, 2017 and 2016 are as follows:

Balance, September 30, 2016	$ 1,301,250
Capital improvements	107,254
Capitalized costs	1,408,504
Balance, September 30, 2017	$ 1,408,504

The fair value measurements have been categorized as a level 3 fair value based on inputs to the valuation techniques used. The key valuation techniques used in measuring the fair values of the FPHFS are set out in the following table:

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct Sales Comparison	The fair value is based on comparison to recent sales of properties of similar types, locations and quality.	The significant unobservable input is adjustments due to characteristics specific to each property that could cause the fair value to differ from the property to which it is being compared.

9. Share capital:

(a) Authorized:

Unlimited number of voting common shares, without par value

Unlimited number of non-voting class A preferred shares without par value

Unlimited number of non-voting class B preferred shares without par value

Unlimited number of non-voting class C preferred shares without par value

Unlimited number of non-voting class D preferred shares without par value

(b) Common shares issued:

400 common shares have been issued for cash at $1.00 per share.

(Expressed in Canadian dollars)

9. Share capital (continued):

(c) Redeemable preferred shares issued:

	Class A preferred shares		Class B preferred shares	
2017	Numbers issued	Amount	Numbers issued	Amount
Balance, September 30, 2016	$ 27,770,499	$ 27,770,499	$ 17,485,640	$ 17,485,640
Issued	39,809,160	39,809,160	-	-
Redeemed	(17,147,205)	(17,147,205)	(5,469,670)	(5,469,670)
Reinvested dividends	824,571	824,571	622,976	622,976
Transfer of preferred shares	1,523,929	1,523,929	(1,523,929)	(1,523,929)
Balance, September 30, 2017	$ 52,780,954	$ 52,780,954	$ 11,115,017	$ 11,115,017

(c) Redeemable preferred shares issued (continued):

	Class A preferred shares		Class B preferred shares	
2016	Numbers issued	Amount	Numbers issued	Amount
Balance, September 30, 2015	$ 1,450,095	$ 1,450,095	$ 27,025,556	$ 27,025,556
Issued	35,179,804	35,179,804	1,250,000	1,250,000
Redeemed	(11,251,242)	(11,251,242)	(10,236,760)	(10,236,760)
Reinvested dividends	419,027	419,027	969,659	969,659
Transfer of preferred shares	1,522,815	1,522,815	(1,522,815)	(1,522,815)
Converted from loans	450,000	450,000	-	-
Balance, September 30, 2016	$ 27,770,499	$ 27,770,499	$ 17,485,640	$ 17,485,640

All classes of preferred shares within a class rank equally with respect to dividends, rank senior to the common shares of the Company and are redeemable at the option of the holders.

Subject to certain restrictions, preferred shareholders may, on a monthly basis, request redemption of any or all their outstanding shares by providing 30 days advance notice to the Company. The Company is not to accept redemptions for preferred shares in the same calendar month where they represent more than 5% of the total number of preferred shares outstanding on the redemption date. Should the amount of preferred shares rendered for redemption exceed the limit, the Company may, at its discretion, redeem all tendered shares, redeem the shares tendered on a pro rate basis, or suspend redemptions. Class A Preferred Shareholders can request redemption after holding the shares for 12 months.

9. Share capital (continued):

(d) Dividends:

The Company intends to pay dividends to shareholders on a quarterly basis, on or about the 15th day following each quarter.

For the year ended September 30, 2017, the Company declared and paid dividends on Class A and B preferred shares of $3,349,246 (2016 - $2,729,382), and declared dividends payable of $689,270 (2016 - $486,407). Of the dividends declared, $2,590,969 (2016 - $1,827,103) was paid in cash and $1,447,547 (2016 - $1,388,686) was reinvested into the preferred shares.

(e) Dividend reinvestment plan:

The Company has instituted a dividend reinvestment plan (“DRIP”) available to preferred shareholders. Under the DRIP, shareholders may enrol to have their cash dividends reinvested to purchase additional preferred shares of the same class at an amount of $1.00 per share. For the year ended September 30, 2017, total dividends of $1,447,547 (2016 - $1,388,686) was reinvested in Class A and Class B preferred shares.

10. Capital management:

The Company manages its capital structure in order to support ongoing operations while focusing on its primary objectives of preserving shareholder capital and generating a stable monthly cash dividend to holders of redeemable shares. The Company defines its capital structure as the common and preference shares of the Company.

The Company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage and loan investment opportunities, the availability of capital and anticipated changes in general economic conditions.

The Company's internally imposed investment restrictions and asset allocation model incorporate various restrictions and investment parameters to manage the risk profile of the mortgage and loan investments. The investment restrictions permit the Company to use leverage to maintain liquidity, for general working capital purposes and to bridge the timing differences between loan advances, maturities and equity offerings. The aggregate amount of borrowing by the Company may not exceed 20% of the book value of the Company’s mortgage investment portfolio without the approval of the independent board of directors. In addition, the asset allocation model dictates the allocation of the mortgage and loan investments based upon geographical, borrower, zoning, term, security position, and loan-to-appraised value criteria. At September 30, 2017, the Company had loans payable of $11,327,603 (2016 - $9,414,203), which represented 15.18% (2016 - 17.25%) of the carrying value of the Company’s mortgage investment portfolio. During fiscal 2015, the Company obtained the independent board of directors’ approval for these loans and the Company was in compliance with its investment restrictions and the asset allocation model parameters.

The Company is subject to certain debt covenants on its capital (see note 6).

11. Financial instruments:

(a) Fair values:

The Company's financial instruments include cash, amounts receivable, mortgage receivable, prepaid expenses, bank overdraft, accounts payable and accrued liabilities, distribution payable to preferred shareholders, due to related parties and redeemable preferred shares. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The Company classifies its fair value measurements in accordance with the level three fair value hierarchy as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The level in fair value hierarchy within which the fair value is categorized shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at September 30, 2017, the company has no financial instruments measured at fair value (2016- nil).

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the mortgage investments, bank overdraft and preferred shares will fluctuate because of changes in market interest rates. As of September 30, 2017, no mortgage investments and preferred shares bear interest at variable rates; therefore, the Company is not exposed to cash flow risk from mortgage investments and preferred shares as a result of interest rate fluctuations. Further, the Company does not have material fair value risk on its mortgage investment portfolio primarily as a result of the less than one year short term nature of the maturity dates of the mortgage loan investments. The Company is exposed to interest rate risk on its bank overdraft to the extent that its credit facility is based on floating rate of interest. For the year ended September 30, 2017, a 10% increase (decrease) in interest rates would have decreased (increase) comprehensive income by $66,750.

The Company does not have material interest rate risk on any of its other financial instruments.

11. Financial instruments (continued):

(c) Credit risk:

The following assets are exposed to credit risk: cash and mortgages receivable. Credit risk primarily relates to the possibility that counterparties to mortgage investments may be unable to honor their debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. The credit risk for cash is very low because the Company maintains cash balances with a major Schedule I chartered bank.

At September 30, 2017, outstanding amounts owed by one mortgage borrower accounted for 10.22% of the total mortgages.

The Company mitigates this risk by the following:

(*i*) adhering to the investment restrictions and operating policies included in the asset allocation;

(*ii*) performing a due diligence process on each mortgage loan investment prior to funding. These generally include, but not limited to engaging professional independent consultants, lawyers and appraisers and performing credit checks and financial statement review on prospective borrowers;

(*iii*) having mortgage investments approved by the independent review committee in accordance with the Company's operating policies; and

(*iv*) actively monitoring the mortgage portfolio and initiating recovery procedures in a timely manner when required.

The company's maximum credit exposure (without taking into account collateral and other credit enhancements) at September 30, 2017 is representative of the relevant financial assets in the statement of financial position.

(d) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy and the Fund Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid cash to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's articles provide for the monthly cancellation of shares and it is therefore exposed to the liquidity risk of meeting preferred shareholder redemptions at each redemption date.

(Expressed in Canadian dollars)

11. Financial instruments (continued):

(d) Liquidity risk (continued):

The Company's financial assets include a portfolio of mortgages, which are generally illiquid. As a result, the Company may not be able to liquidate some of its investments in these assets in due time in order to meet its liquidity requirements.

The Company's liquidity risk is managed on an ongoing basis by the Fund Manager in accordance with the policies and procedures in place. The Company's overall liquidity is monitored on a quarterly basis by the board of directors. The Company's redemption policy only allows for redemptions on giving thirty (30) days written request for amounts under $500,000 and ninety (90) days when the amount is over $500,000. It is the Fund Manager's policy to have liquid assets comprising cash and cash equivalents or access to bank lending in order to meet anticipated redemptions.

The board of directors is empowered to impose a redemption gate should redemption levels exceed 5% of the preferred shares issued and outstanding (as at the beginning of the fiscal year during which such retraction notices are given).

The following table presents contractual terms to maturity of the financial liabilities owed by the Company as at September 30, 2017:

Financial liability		Carrying amount	Contractual terms to maturity
Bank overdraft	$	11,327,603	Due on demand
Distribution payable to preference shareholders		689,270	Due within 30 days
Other accounts payable and amounts due to related parties		272,522	Due within 3 months
Redeemable preference shares		63,895,971	Due within 30 days of request when the amount is less than $500,000 and 90 days when over $500,000

As at September 30, 2017, the Fund Manager considers that the Company does not have significant exposure to liquidity risk.

(e) Currency risk:

The Company invests in mortgages, generates revenues and incurs expenses and expenditures primarily in British Columbia, Canada and is not exposed to risk from changes in foreign currency exchange rates.

ITEM 13
DATE AND CERTIFICATE

Dated *"December 22, 2017"*

This Offering Memorandum does not contain a misrepresentation.

GENESIS MORTGAGE INVESTMENT CORP.

(signed) HONG YU TINA MU	*(signed)* YU (PETER) YANG
Director and Acting Chief Executive Officer	Director and Acting Chief Financial Officer

Manager and Promoter:

GENTAI CAPITAL CORPORATION

(signed) HONG YU TINA MU	*(signed)* YU (PETER) YANG
Director	Director