

Form 45-106F6

British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

BLUE TERRA SOLUTIONS INC. of Upper Booth Road North, Kelowna, BC V1X 7V7

Tel: (250) 765-5759

Email: ckutschera@gmail.com

Item 2: Reporting issuer status

The Issuer is not a reporting issuer.

Item 3: Issuer's industry

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

☐ Bio-tech

Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ Forestry

☐ Hi-tech

☒ Industrial

Mining

☐ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☐ Other (describe)

Item 4: Insiders and promoters of non-reporting issuers

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

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

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Christian Edi Kutschera Kelowna, BC Canada	Director & Officer	200 Class “A” Voting Shares	\$1.00
Elizabeth Kutschera Kelowna, BC Canada	Director & Officer	200 Class “A” Voting Shares	\$1.00
Praise Enterprises Ltd. ⁽¹⁾ Kelowna, BC Canada	Over 10% shareholder	23,900,000 Class “D” Voting Common Shares	\$597,500
Microgen Solutions Inc. Kelowna, BC Canada	Over 10% shareholder	4,520,000 Class “E” Voting Common Shares 270,000 Class “G” Voting Common Shares 1,050,000 Class “F” Voting Common Shares 134,000 Class “H” Voting Common Shares 115,000 Class “I” Voting Common Shares	\$1,297,250

(1) This corporate entity is controlled by Christian and Elizabeth Kutschera

Details of distribution

Item 5: Distribution date

January 29, 2016

Item 6: Number and type of securities

For each security distributed:

377,500 Class “J” Voting Common Shares (“Class “J” Shares”) and 430,000 Class “K” Voting Common Shares (“Class “K” Shares”)

Item 7: Geographical information about purchasers

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

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	4	\$1.50 & \$1.75	\$400,000
Alberta	6	\$1.50 & \$1.75	\$1,055,250
Total number of Purchasers	10		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$1,455,250

Item 8: Information about purchasers*Instructions*

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
1002541 Alberta Ltd. 11 Miller Bay Okotoks, AB T1S 2E8 780-618-7115 - Att: Marc Karlson		50,000 Class "J" Voting Common Shares	\$75,000	NI 45-106 s. 2.3(1)	2016-01-29
1931924 Alberta Ltd. 371 Davenport Drive Sherwood Park, AB T8H 0J2 780-235-8046 - Att: Richard Greschner		127,500 Class "J" Voting Common Shares	\$191,250	NI 45-106 s. 2.3(1)	2016-01-29
AND Holdings 2015 Ltd. 444 Greenstone		100,000 Class "K" Voting Common	\$175,000	NI 45-106 s. 2.3(1)	2016-01-29

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Drive Kamloops, BC V2C 1N9 250-819-9810 - Att: Dave Mitchell		Shares			
1152156 Alberta Ltd. 2607 29 Street SW Calgary, AB T3E 2K6 403-620-8200 - Att: Marvis Olson		86,000 Class "K" Voting Common Shares	\$150,500	NI 45-106 s. 2.3(1)	2016-01-29
Northstar Investments Inc. Box 1174 Grande Prairie, AB T8V 4B6 780-876-0693 - Att: Darcy Mayne		150,000 Class "K" Voting Common Shares	\$262,500	NI 45-106 s. 2.3(1)	2016-01-29

Commissions and finder's fees

Item 9: Commissions and finder's fees

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

Certificate

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

Date: January 29, 2016

Name of issuer (please print)

Elizabeth Kutschera, Director (250) 765-5759

Print name, title and telephone number of person signing

Elizabeth Kutschera

Signature

Item 10: Contact information

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

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

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you

have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

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