

Form 45-103F4
Report of Exempt Distribution

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Issuer information

1. State the full name, address and telephone number of the issuer of the security distributed. Include former name if name has changed since last report. If this report is filed by a vendor, other than the issuer, also state the full name and address of the vendor.

**Lanesborough Real Estate Investment Trust, 2600 Seven Evergreen Place,
Winnipeg, Manitoba, R3L 2T3.**

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

**Reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario
Nova Scotia and the Northwest Territories.**

Details of distribution

3. State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates. **February 18, 2005**

4. For each security distributed:

- (a) describe the type of security, and
- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date.

On February 18, 2005 the Issuer distributed \$3,569,000 principal amount of 5 Year 8% Subordinated Series E convertible debentures (the "Debentures"). The Debentures are convertible into trust units of the Issuer at the option of the holder at a price of \$6.50 during the third year after issuance of the Debentures, \$7.15 during the fourth year after issuance and \$7.90 during the fifth year after issuance.

5. Provide details of the distribution by completing the attached schedule.

6. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Provide a total dollar value of all securities distributed in all jurisdictions. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 7, below.

Each jurisdiction where purchasers reside	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Manitoba	\$1,000	\$2,184,000
Saskatchewan	\$1,000	\$396,000
Alberta	\$1,000	\$289,000
British Columbia	\$1,000	\$82,000
Ontario	\$1,000	\$564,000
Northwest Territories	\$1,000	\$54,000
Total dollar value of distribution in all jurisdictions (Canadian \$)		\$3,569,000

Commissions and finder's fees

7. Provide the following information for each person who is being compensated in connection with the distribution(s). When disclosing compensation paid or to be paid, include discounts, commissions or other fees or payments of a similar nature directly related to the distribution. Do not include payments for services incidental to the trade, such as clerical, printing, legal or accounting services.

Full name and address of person being compensated	Compensation paid (in Canadian \$ and, if applicable, number and type of securities)	Exemption relied on and date of distribution (if applicable)	Price per share (Canadian \$)
Wellington West Capital Inc. Suite 400, 200 Waterfront Drive, Winnipeg, MB R3B 3P1	\$214,140	NA	NA

Certificate

On behalf of the issuer (or vendor), I certify that the statements made in this report and in each schedule to this report are true.

Date: February 18, 2005

Laurelborough Real Estate Investment Trust
Name of issuer or vendor (please print)

Agni Thurgerson, CEO
Print name and position of person signing

[Signature]
Signature