

**Form 45-106F6**

***British Columbia Report of Exempt Distribution***

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

**Issuer/underwriter information**

**Item 1: Issuer/underwriter name and contact information**

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;

**Bancorp Balanced Mortgage Fund II Ltd.**

- the issuer's website address;

**www.bancorpfinancial.com**

- the address, telephone number and email address of the issuer's head office.

**1420-1090 West Georgia St**

**Vancouver BC V6E 3V7**

**Telephone: 604 608-2717**

**bancorpfinancial.com**

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

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

**Item 2: Reporting issuer status**

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

**NON REPORTING**

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

**Item 3: Issuer's industry**

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

☐ Bio-tech

Financial Services

Mining

☐ exploration/development

- ☐ investment companies and funds    ☐ production  
☒ mortgage investment companies    ☐ Oil and gas  
☐ Forestry    ☐ Real estate  
☐ Hi-tech    ☐ Utilities  
☐ Industrial    ☐ 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 \$)
Douglas Bentley, West Vancouver, BC	Director , President & CEO since July 2009	106 Common voting shares representing 9.09% of the issued Common Shares, 130,030 Class D Shares representing 0.71% of the issued Class D Shares, no Class F Shares, Class E Shares or Class A Shares.	\$130,106
John L. (Lockie) McKinnon Victoria, BC	Director since July 2009	106 Common voting shares representing 9.09% of the issued Common Shares, 80,217 Class D Shares representing .44% of the issued Class D Shares, no Class F Shares, Class E Shares or Class A Shares	\$80323

Arnold Miles-Pickup West Vancouver, BC	Director, since July 2009	106 Common voting shares representing 9.09% of the issued Common Shares, 422,649 Class D Shares representing 2.3% of the issued Class D Shares, no Class F Shares, Class E Shares or Class A Shares.	\$422,755
Richard Nicholson Victoria, BC	Director since July 2009	106 Common voting shares representing 9.09% of the issued Common Shares, 142,378 Class D Shares representing 0.76% of the issued Class D Shares, no Class F Shares, Class E Shares or Class A Shares.	\$142,484
Mark Silverwood Vancouver, BC	Director since March 2012 Secretary since March , 2014	106 Common voting shares representing 9.09% of the issued Common Shares, 28,298 Class D Shares representing 0.16% of the issued Class D Shares, no Class F Shares, Class E Shares or Class A Shares.	\$28,404
Wendy Herdin Vancouver, BC	Director & CFO since March 2012	106 Common voting shares representing 9.09% of the issued Common Shares, 25,000 Class D Shares representing .14% of the issued Class D Shares, no Class F Shares , Class E Shares or Class A Shares NIL	\$25,106

## Details of distribution

### Item 5: Distribution date

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

**August 4, 2014 to August 07, 2014**

**Item 6: Number and type of securities**

For each security distributed:

- describe the type of security;  
The security distributed consists of shares.
- 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;  
The total # is 342,583.99
- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

**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 \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	68	\$1.00	\$342,583.99
Total number of Purchasers	68		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$342,583.99

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

**Item 8: Information about purchasers***Instructions*

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

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

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

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

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

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
McGavin Properties Ltd 1675 Laurier Ave Vancouver BC V6J 2V5 Gerald McGavin 604 685-2722	N/A	72,847 Class “D” shares	\$72,847.00	Section 2.9(3) of N1-45-106	2014-08-04
Eugene & Karla Marks Joint Spousal Trust 7268 Wiltshire St Vancouver BC V6P 5H5 Eugene Marks 604 263-9835	N/A	2,428 Class “D” shares	\$2,428.00	Section 2.9(3) of N1-45-106	2014-08-04
Gerald Barre Spousal Trust c/o 3150 Travers St West Vancouver BC V7V 1G3 Gerald Barre 604 926-4630	N/A	7,284 Class “D” shares	\$7,284.00	Section 2.9(3) of N1-45-106	2014-08-04
Dr Andre R Anzarut Ltd c/o 6069 Hudson St Vancouver BC V6M 2Z4 Dr Andre R Anzarut 604 263-4476	N/A	1,634 Class “D” shares	\$1,634.00	Section 2.9(3) of N1-45-106	2014-08-04
Serendipitous Investments Inc 920 Sunset Dr Saltspring Island BC V8K 1E6 Elizabeth Dunn 250 537-5300	N/A	27,036 Class “D” shares	\$27,036.00	Section 2.9(3) of N1-45-106	2014-08-04

<b>Information about non-individual purchasers</b>					
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)
Aurora Borealis Investments Inc 8275 Lockside Dr Saanichton BC V8M 1T9 James Dunn 250 652-3701	N/A	27,036 Class "D" shares	\$27,036.00	Section 2.9(3) of N1-45-106	2014-08-04
508446 BC Ltd Pension Plan 4330 Rockridge Road West Vancouver BC V7W 1A7 Ron Barre 604 926-5598	N/A	3,035 Class "D" shares	\$3,035.00	Section 2.9(3) of N1-45-106	2014-08-04
Guff Muench RCA Trust c/o ZLC Private Investment Mgmnt Inc 1200-666 Burrard St Vancouver BC V6C 2X8 Grace Domingo-Gumban 604 685-1096	N/A	1,333 Class "A" shares	\$1,333.00	Section 2.9(3) of N1-45-106	2014-08-07

## **Commissions and finder's fees**

### **Item 9: Commissions and finder's fees**

#### *Instructions*

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

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

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



## **Certificate**

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

Date: August 13, 2014

Bancorp Balanced Mortgage Fund II Ltd

Name of [issuer/underwriter] (please print)

Barry Jackson, Administrator, 604 609-7111

Print name, title and telephone number of person signing

Barry Jackson

Signature

### *Instruction*

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

### **Item 10: Contact information**

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

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

### **Notice - Collection and use of personal information**

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

### **British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll free across Canada: 1-800-373-6393 Facsimile: (604) 899-6581