

FORM 45-106F1
REPORT OF EXEMPT DISTRIBUTION

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

Issuer/underwriter information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report. If an underwriter is completing this form, also state the full name of the underwriter and the address and telephone number of the head office of the underwriter.

Issuer:

1011778 B.C. Unlimited Liability Company and
New Red Finance Inc.
925 W. Georgia Street, Suite 1600
Vancouver, British Columbia
V6C 3L2
604-685-3456

Underwriter:

Wells Fargo Securities, LLC
550 South Tryon Street,
Charlotte, North Carolina
28202
Tel: 704-410-4812

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

The Issuer is not a reporting issuer in Canada. The Issuer is relying on paragraph 6 of B.C. Instrument 45-533.

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

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

Restaurant

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

October 8, 2014

Item 6: For each security distributed:

- (a) describe the type of security,
- 6.00% Second Loan Senior Notes due 2022 (the "Notes")

- (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; and

US \$2,250,000,000 Notes (CA\$67,092,000 sold in Canada)

- (c) state the exemption(s) relied on.

The "accredited investor" exemption contained in section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106")

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of Purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	1	100% aggregate principal amount of Notes	3,354,600
Ontario	4	100% aggregate principal amount of Notes	63,737,400
Total number of Purchasers	5		
Total dollar value of distribution in all jurisdictions (Canadian \$)			67,092,000

Note: All Canadian currency values are approximate values based on the Bank of Canada US dollar nominal noon exchange rate of C\$1.1182/US\$1 as at October 8, 2014.

Commissions and finder's fees

Item 8: 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 payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please 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	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	Exemption relied on and date of distribution	
Wells Fargo Securities, 550 South Tryon Street, Charlotte, North Carolina 28202	\$1,006,380				\$1,006,380

Item 9: If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

Certificate

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

Date: October 22, 2014

Wells Fargo Securities, LLC
Name of underwriter (please print)

John Gregory, Managing Director, 704-410-4819
Print name, title and telephone number of person signing

"John Gregory"
Signature

Instruction

The person filing the form must complete the bracketed information by deleting the inappropriate word.

Item 10: 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.