

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 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.

Leeward Capital Corp. (the "Corporation")
#4, 1922 – 9 Avenue S.E.
Calgary, AB T2G 0V2
Tel: (403) 265-4077 ext. 1
James W. Davis, President

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 Corporation is a reporting issuer in each of the Provinces of Alberta, British Columbia and Ontario.

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

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.

December 7, 2006

Item 6: For each security distributed:

- (a) describe the type of security.

Flow-through units (the "Units") of the Corporation at an issuance price of \$0.15.

Each flow-through unit consists of one (1) common share on a flow-through basis and (1) non transferable share purchase warrant entitling the holder thereof to purchase one (1) additional common share on a flow-through basis at a purchase price of \$0.22 per share for a period of one (1) year. In the event that after expiry of the four (4) month hold period under applicable securities laws, the average weighted trading price of a board lot of common shares on the facilities of the TSX Venture Exchange ("TSX-V") is not less than \$0.30 over a period of ten (10) consecutive trading days, the expiry date of the warrants shall be automatically accelerated without notice, to 4:30 p.m. (Calgary time) on the business day that is fourteen (14) days thereafter.

- (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

3,009,667 Units

- (c) state the exemption(s) relied on under NI 45-106 Prospectus and Registration Exemptions.

s. 2.3

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 \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	7	\$0.15	\$79,600.05
British Columbia	21	\$0.15	\$371,850.00
Total number of Purchasers	28		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$451,450.05

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

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	Exemption relied on and date of distribution	
Union Securities Ltd. 900, 700 West Georgia Street Vancouver, B.C. V7Y 9Z9	\$3,015	N/A	s. 2.3 of NI 45-106	\$3,015
Haywood Securities Inc. Suite 2000, 400 Burrard Street Vancouver, B.C. V6C 3A6	\$3,240	N/A	s. 2.3 of NI 45-106	\$3,240
Total				\$6,255

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.

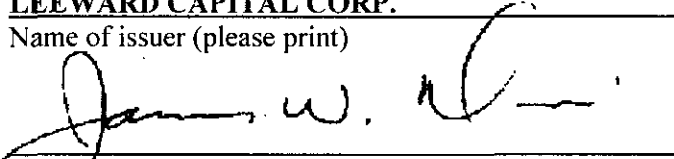
CERTIFICATE

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

Date: December 7, 2006

LEEWARD CAPITAL CORP.

Name of issuer (please print)

A handwritten signature in black ink, appearing to read "James W. Nelson", is written over a horizontal line.

President and Director

Tel: (403) 265-4077 ext. 1

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.