FORM 45-106F2
OFFERING MEMORANDUM (AMMENDED)

Dated:	May 12, 2023

The Issuer

Name:	**PIONEER WEST MORTGAGE INVESTMENT CORPORATION** (the "Corporation" "we" or "us")
Head Office:	**Suite 201 – 814 West 15th Street,** **North Vancouver, BC, Canada V7P 1M6** **Phone: 1-604-987-1420 Fax: 1-604-987-1460** **Toll Free: 1-877-987-1420**
Currently Listed or Quoted?	No
Reporting Issuer?	No
SEDAR filer?	No

The Offering

Securities Offered:	up to 20,000,000 non-voting preferred shares (the "Preferred Shares") with a par value of $1.00 per share.
Price per Security:	$1.00 per Preferred Share
Minimum/Maximum Offering:	**THERE IS NO MINIMUM OFFERING. CONSEQUENTLY, YOU MAY BE THE ONLY PURCHASER**
Payment Terms:	Bank draft or certified cheque on closing
Proposed Closing Date:	One or more dates, indefinitely
Tax Consequences:	There are important tax consequences to these securities. See item 6.
Selling Agent / Placement Fee:	No exclusive Selling Agent has been appointed by the Corporation. No placement fees will be charged to investors.

Resale Restrictions

You will be restricted from selling your securities for an indefinite period. See Item 10.

Purchaser's Rights

You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel this agreement. See item 11.

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

The Office of the Registrar of Mortgage Brokers at the Financial Institutions Commission regulates the mortgage brokering and lending activities of Mortgage Investment Corporations (MICs) under the Mortgage Brokers Act. The Registrar and the Mortgage Brokers Act do not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation.

Item 1 - Use of Available Funds

1.1 *Net Proceeds and Available Funds*

The net proceeds of the offering and the funds which will be available to us after this offering are as follows:

		Assuming max. Offering
A	Amount to be raised by this offering	$20,000,000.00
B	Selling commissions and fees (Estimated)	$($200,000.00)
C	Estimated offering costs (including legal, accounting, audit, etc.)	$(20,000.00)
D	Net Proceeds: D=A-(B+C)	$19,780,000.00

1.2 *Use of Available Funds*

We will use the available funds as follows:

Description of intended use of available funds listed in order of priority		**Assuming max. Offering**
Invest in Mortgages as permitted of a mortgage investment corporation by the *Income Tax Act* (Canada) and as described under "Item 2. Business of Pioneer West Mortgage Investment Corporation – Investment Practices and Restrictions"		$19,780,000.00

1.3 *Reallocation*

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2 - Business of Pioneer West Mortgage Investment Corporation

2.1 *Structure*

We were incorporated under the now repealed *Company Act* (British Columbia) (the "Company Act") on November 22, 2002 and completed a Transition Application under the British Columbia Business Corporations Act (the "Act") effective July 19, 2004. Our Registered and Records offices are located at 218 – 3580 Moncton Street Richmond, BC V7E 3A4 and our head office is located at 201 – 814 West 15th Street, North Vancouver, British Columbia, V7P 1M6.

2.2 *Our Business*

This Offering is the sole source of capital for the Issuer and the amount of funds derived from the Offering will have a direct impact on the profitability of this investment.

Overview

The Company was incorporated on November 22, 2002 but remained an inactive shelf company with no economic activity prior to the Company's first distribution of preference shares on November 30, 2005. Its first distribution was on November 30, 2005.

We operate as a mortgage investment corporation (a "MIC") under the Income Tax Act (Canada) (the "Tax Act"), investing in permitted investments and distributing our net income as dividends to our shareholders.

Investments

We invest in investments permitted of a MIC under the Tax Act. The Tax Act provides that a MIC may invest its funds as it sees fit, provided that a MIC must not invest in mortgages on real property (land and buildings) situated outside of Canada or any leasehold interest in such property, debts owing by non-resident persons unless secured by real property situated in Canada or shares of corporations not resident in Canada. The Tax Act also provides that at least 50% of the cost amount of a MIC's property must consist of debts secured by mortgages or otherwise on "houses" or property included within a "housing project" (as those terms are defined by section 2 of the *National Housing Act* (Canada)) and money on deposit in a bank or credit union. No more than 25% of the cost amount of a MIC's property may be real property, including leasehold interests in real property (except for real property acquired by foreclosure or otherwise after default on a mortgage or other security).

The Corporation has few specific investment policies, other than complying with the rules for a MIC set out in the Tax Act.

We intend to invest primarily in first and second mortgages having a principal amount which, when added to the principal amount of prior mortgages is not more than 85% of the appraised value of the real property against which they are secured.

We are in the business of investing in mortgages granted as security for loans (the "Mortgages"), to builders, developers and owners of commercial, industrial and residential real estate located in the provinces of Canada.

To the extent that our funds are not invested in Mortgages from time to time, they will be held in cash deposited with a Canadian chartered bank or will be invested in short term deposits, savings accounts or government guaranteed income certificates so that we maintain a level of working capital for our ongoing operations considered acceptable by the directors of the Corporation.

Pioneer West Acceptance Corporation (see "The Manager" page 7) (the "Manager") will be responsible for managing our mortgage investment portfolio. The financial services agreement (the "Financial Services Agreement") between us and the Manager governs this relationship and requires the Manager to comply with and observe all laws that apply to us, our investments and our securities. See "Item 2. Business of Pioneer West Mortgage Investment Corporation - Financial Services" and "Item 2. Business of Pioneer West Mortgage Investment Corporation - The Manager". The Manager will obtain opinions from counsel as it deems necessary in connection with such compliance. Accordingly, we do not have and do not expect to have any employees and will be managed by the officers of the Corporation listed under Item 3. "Directors, Management, Promoters and Principal Holders".

As a MIC, we will be allowed to deduct dividends that we pay from our income. We intend to payout all of our net income and net realized capital gains as dividends within the time period specified in the Tax Act and, as a result, do not anticipate paying any income tax. See Item 6. "Income Tax Consequences".

Investment Objective and Strategy

Our principal investment objective is to provide holders of our Preferred Shares with sustainable income while preserving capital for distribution or re-investment. We will seek to achieve this principal investment objective by investing in Mortgages and paying out cash or stock dividends to our Preferred Shareholders. Our income will primarily consist of interest received from the loans secured by the Mortgages, less fees paid to the Manager. See Item 2. "Business of Pioneer West Mortgage Investment Corporation - Financial Services" and "The Manager".

Our Mortgage portfolio will consist of commercial, industrial and residential construction financing and land development loans, as well as term Mortgages made for the purpose of acquiring or re-financing income-producing property, all of which will be with arm's length parties. We will also invest in demand loans and term loans that are secured by income-producing real property, all of which will be with arm's length parties. All such investments will be maintained in compliance with the requirements to maintain our status as a MIC.

Our Mortgage portfolio composition will vary over time depending on the assessment of the appropriate strategy given overall market conditions and outlook. We will endeavour to build a Mortgage portfolio which encompasses the following general characteristics:

(a) Property type and geographical diversification;

(b) Short Term Loans, Intermediate Term Loans and Long Term Loans;

(c) Payment schedules primarily of interest only; and

(d) Loans in Canadian dollars on Canadian based real estate.

See Item 2. Business of Pioneer West Mortgage Investment Corporation - "Investment Practices and Restrictions", "Financial Services" and "The Manager".

Investment decisions are made by our Credit Committee, consisting of any two (2) directors of the Corporation, upon the advice of the Manager.

Operations

The Tax Act prohibits a MIC from managing or developing real property. Accordingly, we have contracted with the Manager to provide all management services to the Corporation.

The Manager provides the Corporation with office space and clerical support at the Manager's offices located at 201- 814 West 15th Street, North Vancouver, British Columbia, V7P 1M6. We do not have any direct employees.

As of February 15, 2019, the dealer registration exemption in BC Instrument 32-517 Exemption from Dealer Registration Requirement for Trades in Securities of Mortgage Investment Entities (BCI 32-517) expired. As a result, Pioneer West Mortgage Investment Corporation is subject to the dealer registration requirements of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. This change required Mortgage Investment Corporations to use the services of an Exempt Market Dealer for all trades of shares. Pioneer West Mortgage Investment Corporation has contracted Drake Financial Ltd. of 2190 McCallum Road Abbotsford BC V2 3T3 for this purpose. Drake Financial Ltd. is owned by the principals of the Manager and as such gets a preferred cost to all transactions. The Manager, Pioneer West Acceptance Corporation, plans to transfer the management of Pioneer West Mortgage Investment Corporation to Drake Financial Ltd. subject to the common shareholder's approval. Drake Financial Ltd currently manages other mortgage investment corporations and is managed by the same management as Pioneer West Acceptance Corporation.

Investment Practices and Restrictions

Our investment guidelines are consistent with our articles of incorporation, the provisions of the Tax Act and real estate legislation that applies to us. See Item 6. "Income Tax Considerations". Our investment activities will be conducted in accordance with the following investment practices and restrictions:

(a) Our only undertaking will be to invest funds in accordance with the objectives, strategies and restrictions of our investment guidelines;

(b) We will invest in commercial, industrial and residential Mortgages;

(c) All Mortgages will, following funding, be registered on title to the subject property in the Corporation's name;

(d) All Mortgage investments will be made in established or developing areas in the provinces of Canada;

(e) Generally, we will only invest in Mortgages on properties for which we have reviewed and evaluated an independent appraisal and, with respect to environmentally sensitive properties and on commercial loans we will generally receive an evaluation of the property subject to the Mortgage in the form of a Phase I Environmental Audit;

(f) We will not invest in a Mortgage or loan any funds to be secured by a Mortgage unless at the date the Mortgage is acquired or funds are initially advanced (as the case may be) the indebtedness secured by such Mortgage plus the amount of additional third party indebtedness of the borrower in priority to us, if any, generally does not exceed, on a property by property basis, 85% of the appraised value of the real property securing the Mortgage, provided that the appraised value may be based on stated conditions including without limitation completion, rehabilitation or lease-up of improvements located on the real property which activities we will monitor on an ongoing basis;

(g) If the independent appraisal reports an appraised value for the real property securing the Mortgage other than on an "as is basis", we will advance funds under a loan by way of progress payments upon completion of specified stages of construction or development supported by receipt of reports of professional engineers, architects or quantity surveyors, as applicable, or upon completion of other specified milestones;

(h) We will not make any investment, or allow an investment mix, that would result in our failing to qualify as a MIC;

(i) Subject to subsection (p) below, we will not invest in securities, guaranteed investment certificates or treasury bills unless such securities, guaranteed investment certificates or treasury bills are issued by an arm's length party and are pledged as collateral in connection with Mortgage investments or obtained by realizing on such collateral;

(j) We will not invest for the purposes of exercising control over management of any issuer;

(k) We will not act as an underwriter;

(l) We will not make short sales of securities or maintain a short position in any securities;

(m) We will not guarantee the securities or obligations of any person;

(n) We will not loan money to or invest in securities of the Manager, or the Manager's affiliates;

(o) To the extent that, from time to time, our funds are not invested in Mortgages, they will be held in cash deposited with a Canadian chartered bank or Trust Company or will be invested by the Manager on our behalf at a Canadian chartered bank or Trust Company in short term deposits, savings accounts or government guaranteed income certificates or treasury bills so as to maintain a level of working capital for our ongoing operations considered acceptable by the Directors.

If, due to a change in the provisions of the Tax Act or other legislation applicable to us, any of the foregoing restrictions require amendment in order to comply with such change in legislation, the Corporation's directors (the "Directors") will make such change and such change will be binding on the Corporation. In addition, the foregoing restrictions may be changed at any time (so long as such change complies with applicable legislation) if the Directors of the Corporation deem it in the best interest of the Investors. It is anticipated that the Manager will provide us with assistance from time to time on revision of the foregoing restrictions in order to comply with applicable legislation or any shareholder resolution. In the event of any amendment to the foregoing restrictions, the Manager will be required to comply with and observe such change immediately upon such change becoming effective. See also "Investment Objectives and Strategy", "Financial Services" and "The Manager" above.

Precautions to Mitigate Risk

Mortgage Fraud has traditionally been a risk that mortgage managers have to account for. In the past British Columbia has not been a target due to the electronic land titles system and the land title laws requiring all legal documents to be notarized directly by the property owners. Alberta and Ontario have traditionally seen the highest levels of mortgage fraud due to their lack of these two safeguards. The majority of business funded by Pioneer West Mortgage Investment Corporation is in British Columbia with a minority in Alberta. In both provinces management mitigates risk in mortgage fraud by requiring title insurance on all new mortgage (specifically insuring against mortgage fraud) as well as using senior real estate law firms to close all transactions and get government issued picture identification. Management also heavily scrutinizes all appraisals and obtains transmittal letters on most file to ensure appraisals are accurate and not subject to fraud.

Money Laundering Recently there has been a lot of concern in British Columbia about money laundering and management mitigates against money laundering by not handling any cash, handling all closings through Canadian banks and/or lawyer trust accounts where source of funds policies per FINTRAC are rigidly enforced. All new investors are vetted by Drake Financial Ltd., a regulated exempt market dealer with KYC requirements specifically including source of funds and FINTRAC reporting requirements.

Financial Services

We have entered into the Financial Services Agreement which appoints the Manager. The Manager will make available to us for purchase, in our name, Mortgages or interests in Mortgages as and when they become available. The Manager will have the exclusive right to provide us with Mortgage investments which may be located or acquired from or through other sources. Pursuant to the Financial Services Agreement, the Manager must carry out its duties in a conscientious and reasonable manner. See Item 8 "Material Contracts".

The Manager will oversee our day to day operations and the administrative services provided by the Manager for the Corporation's operations. The Manager will pay all of its costs, expenses and overhead relating to the provision of its services. All of our costs with respect to our business shall be for our own account including, without limitation, legal, audit, shareholder meetings and communication costs.

We will be responsible for paying the costs, including legal fees and disbursements, of collecting or attempting to collect any amounts owing or in arrears on any of our Mortgage investments, including foreclosure or other court proceedings.

The Manager has the right to take such actions as may be necessary or desirable in its discretion to administer the Mortgage loans. In the administration of any Mortgage loan, the Manager may, but shall not be obligated to, retain solicitors, counsel and other experts and receivers and advance such funds as it considers reasonable or necessary in order to preserve, protect, defend or improve our interest in any Mortgage loan or any real property. The Manager shall endeavour to collect the amount of all costs incurred or advances made from the borrower. See Item 8. "Risk Factors -Conflicts of Interest".

The Financial Services Agreement also provides that the Manager may, from time to time, charge brokers' fees, lenders' fees, commitment fees, extension fees, renewal fees, NSF fees, administration fees and similar fees to borrowers with respect to any Mortgage loan on our behalf.

The Financial Services Agreement is for an indefinite term. It may be terminated by us in the event that:

(a) a bankruptcy, receivership or liquidation order is issued against the Manager;

(b) the Manager makes an assignment for the benefit of it's creditors or commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada);

(c) the Manager assigns the Financial Services Agreement or the rights or obligations thereunder to any person who is not affiliated with the Manager without the prior written consent of the Directors;

(d) the Manager commits a breach or default under the Financial Services Agreement not related to the payment of any money to be paid by the Manager to us and the same is not cured within 120 days of the Manager receiving written notice thereof; or

(e) the Manager commits a breach or default under the Financial Services Agreement related to the payment of any money to be paid by the Manager to us and the same is not cured within 30 days of the Manager receiving written notice thereof.

The Manager may terminate the Financial Services Agreement in the event that:

(a) a bankruptcy, receivership or liquidation order is issued against us;

(b) we make an assignment for the benefit of our creditors or commit any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada);

(c) we assign the Financial Services Agreement or its rights or obligations hereunder to any person without the prior written consent of the Manager;

(d) we commit a breach or default under the Financial Services Agreement not related to the payment of any money to be paid by us to the Manager and same is not cured within 120 days of us receiving written notice thereof;

(e) we commit a breach or default under the Financial Services Agreement related to the payment of any money to be paid by us to the Manager and same is not cured within 120 days of us receiving written notice thereof.

The Financial Services Agreement may also be terminated by mutual consent in writing.

The Manager must render its services under the Financial Services Agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Financial Services Agreement in a conscientious, reasonable and competent manner. We have agreed that we shall not hold the Manager liable for any loss, damages or costs arising out of a failure to collect any amount owing on any particular Mortgage after it has been acquired by us. We have also agreed under the Financial Services Agreement to indemnify and hold harmless the Manager as well as its officers, directors, employees, shareholders, and agents from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the following, reasonable legal fees and expense arising from or in connection with any actions or omissions which the Manager takes or makes as Manager under the Financial Services Agreement, provided that such action is taken or not taken or omission is made or not made, in good faith and without gross negligence or is taken or made pursuant to and is in compliance with the Financial Services Agreement. The Manager and its shareholders, directors, officers, agents and employees will have no liability in respect of any act or omission regarding, respecting or relating to the services, duties, and powers performed or to be delivered or performed by them pursuant to the Financial Services Agreement except to the extent such act or omission constitutes gross negligence or wilful misconduct.

This indemnity survives the removal or resignation of the Manager in connection with any and all of its duties and obligations under the Financial Services Agreement.

The Manager

Pioneer West Acceptance Corporation (the "Manager") was incorporated in the Province of British Columbia on January 25th, 1995, and was extra-provincially registered in the Province of Alberta on April 2nd, 2002 and became licensed as a mortgage broker in the Province of British Columbia in 1995.

Initially, the Manager was established to finance home owner equity loans, first mortgages and second mortgages. At that time, the principals of the Manager realized the huge opportunities in home owner equity loans. During the late 1990's, no financial institutions of any size or nature were interested in financing home owner equity loans without the home owner having sufficient qualifying income.

With that initial focus on home owner equity mortgages the Manager then expanded to other areas of mortgage lending and brokering. Over the last 25 years the Manager has arranged mortgage loans in the residential and commercial sectors of the real estate industry.

The Manager has arranged high ratio and conventional residential mortgages and has a strong understanding of the guidelines set out by Canada Mortgage and Housing Corporation. In addition, the Manager has arranged commercial mortgage financing in the following areas:

- apartment buildings, condominiums,
- commercial strata lots, (office & retail)
- land
- short-term construction loans

Over the years, the Manager has been involved with a number of industry related organizations and is a member of Mortgage Professionals Canada, and is also an active member of the Better Business Bureau and subscribes to their Reliability Program.

Each Mortgage investment opportunity will be reviewed by the Manager's management to ensure it meets or exceeds the MIC's investment objectives, practices and restrictions. Every Mortgage opportunity will be evaluated on its own financial and business merits and against current market conditions. Assessments of all Mortgage opportunities will include generally, at a minimum, a review of a recent independent appraisal of the property to be secured by the Mortgage, on commercial and environmentally sensitive properties an evaluation pursuant to a Phase I Environmental Audit and a general assessment of the 1) project and financial information provided by the borrower 2) security provided 3) current market conditions and 4) overall risk to the MIC.

The Manager and its directors and officers may make direct investments as investors along with the MIC in Mortgages approved by the Manager. See Item 8 "Risk Factors - Conflicts of Interest.

2.3 *Development of the Business*

The MIC's original mandate was to invest in mortgage investments on residential and commercial properties in British Columbia and Alberta and to provide a superior yield with a well-diversified low risk portfolio. The emphasis was and is to be in urban centres and growth areas where investment opportunities can be maximized. The MIC has not invested in mortgages on property outside of Canada. The MIC has followed the criteria and guidelines set forth and required by the *Income Tax Act (Canada)* for a MIC.

Utilizing the services of the Manager, the MIC has developed its mortgage portfolio by originating mortgages through negotiations with mortgages brokers, residential and commercial builders, real estate developers, and directly with commercial and investment property owners. Because the manager has a large volume of mortgage business it has prioritized the MIC's investment objectives in terms of quality originations and administration.

In most cases the MIC's mortgage investments do not meet financing criteria for conventional mortgage Lenders. As a result, these investments earn a higher rate of return than is normally attainable from conventional mortgage investments. In addition, the MIC minimizes risk by being thoroughly prudent in both its credit decisions and in assessing the value of the underlying real property offered as security. Also all properties generally require a satisfactory appraisal report prepared by an accredited appraiser approved by the Manager or a property assessment notice.

For the past seventeen years PWMIC has invested in mostly residential mortgages and developed a portfolio of high yielding and well secured small mortgages. Because the mortgages are small, the portfolio is well diversified. With the recession of October 2008, the managers reviewed all mortgage files and divested of files with low equity and replaced them with more conservative new mortgage investments. The recent tightening of banking criteria in Canada has provided opportunities to improve the quality of the portfolio while maintaining a good return. Additionally the managers holds back a provision for potential mortgage impairment to ensure the MIC will continue to have a strong balance sheet and good liquidity.

PWMIC historical returns are: 14.40% - 2006; 12.74% - 2007; 10.00% - 2008; 5.50% - 2009; 7.00% - 2010; 11.78% - 2011; 7.00% - 2012; 7.00% - 2013; 7.00% - 2014; 7.00% - 2015; 5.77% - 2016; 6.13% - 2017- 6.60%-2018; 6.99% - 2019; 6.40% - 2020, 6.46% - 2021, 6.80% - 2021. All dividends are declared and approved by the directors and paid quarterly. The lower return of 2008 resulted from the recession wherein PWMIC put aside a provision for mortgage impairment, obtained a lower yield from new business with higher quality, and absorbed some losses. To help offset these items, the Manager voluntarily reduced the Management Fee on a discretionary basis by 50% to reduce PWMIC costs during the recessionary period. As the economy and real estate market recovered in mid to late 2009, the Manager was able to improve the quality of the underlying PWMIC security by forced sale on mortgages in weaker real estate regions and by taking on new loans in stronger markets with new appraisals. The higher return in 2011 resulted from 2010 loss reserves reclassified as income when the specific underlying mortgages were fully paid with no losses. The lower return of 2016 was due mainly to lower rates due to high competition. Management has implemented new revenue increasing policies and expects the future returns to be more consistent with 2013 and 2014 amounts. The dividends have always been paid from the cash profits of the MIC every quarter and there has never been a quarter without a dividend. Management expects this to continue for the foreseeable future.

Mortgage Objectives:

The mortgages the MIC invests in are shorter term, generally for terms ranging from twelve (12) to twenty-four (24) months. Furthermore, they are secured by first and/or second residential and commercial mortgages on real property.

Interest on loans is normally stipulated as either:

(a) a floating rate expressed as a margin over the prime lending rate of the MIC's bank, often subject to a minimum specified rate; or

(b) a fixed rate of interest.

The MIC's mortgage investments typically fall into the following categories:

- Residential Mortgages: These mortgages are secured against residential property. Interest on these loans is payable monthly, unless otherwise agreed by the MIC. In addition, a bonus may be charged on the mortgage and the bonus payment is secured under the mortgage charge.

- Project Equity Loans: These loans are advances to bridge the "gap" between the amount of equity which is provided by a developer and the amount available through conventional financing in the construction and development of residential, commercial or industrial property. Interest payments are usually due monthly or quarterly. Project equity loans are generally higher risk, therefore the potential returns are significantly higher than conventional mortgage returns. Accordingly, additional compensation is often stipulated for in the form of a bonus payment secured under the mortgage charge. To date, PWMIC has not invested any funds in this type of loan, but if opportunities arise in keeping with managements conservative lending policy they may invest in these types of loans.

- Construction Loans: These loans are advanced to finance the construction and development of residential, commercial, office or industrial properties. Interest payments are usually due monthly or quarterly and may be deducted from progress advances on a work-in-place/cost-to-complete basis. These loans are higher risk than loans on completed buildings and accordingly the return is usually based on a percentage over bank prime with a floor rate. In addition, further remuneration may also be stipulated for in the form of a bonus payment secured under the mortgage charge. PWMIC has not invested any funds in this type of loan, but if opportunities arise in keeping with managements conservative lending policy they may invest in these types of loans.

- Interim Loans: These loans are advanced to finance a complete or substantially completed residential, commercial, office or industrial building with potential for higher returns as a result of renovation, redevelopment, new tenancies or other circumstances. Adding value to properties of this nature usually results in a greater return to the property owner. Interest payments are usually due monthly or quarterly. While the construction risk is substantially eliminated, the success of these projects is subject to market conditions at that time. The rate of return is similar to construction loans. PWMIC has not invested any funds in this type of loan, but if opportunities arise in keeping with managements conservative lending policy they may invest in these types of loans.

- Land Servicing Loans: Loans of this nature are advanced to finance the development of land zoned or approved for development to a condition suitable for construction. The development process generally includes clearing, grading, road construction, installation of sewers and water systems, underground utilities and other improvement such as road curbs and gutters, which may be required by the governing municipality. This will involve, where applicable, the funding of progress advances on a work-in-place/cost-to-complete basis. The initial advance under a land servicing loan may be made before development commences, but generally not before the subject property is zoned or approved by the municipality for the intended use. Interest payments are usually due monthly or quarterly and may be deducted from progress payments. Principal repayment is made as and when individual lots or parcels are sold. Because land servicing is made at the early stage of project development they tend to be higher risk, and therefore offer a higher return. This often takes the form of an interest rate supplemented by per lot discharge fees and/or other bonus payments. PWMIC has not invested any funds in this type of loan, but if opportunities arise in keeping with managements conservative lending policy they may invest in these types of loans

- Syndicated Mortgages: The Issuer may participate in part only of any syndicated mortgage investment. The Manager may syndicate the balance of the investment to other mortgage investors. By restricting its participation in large individual investments, the MIC will enjoy the benefit of increased portfolio diversification. It may also enable the Issuer to participate in financing of larger real estate projects and developments than would otherwise be possible.

The net proceeds of distribution to the date of this Offering Memorandum have been invested in mortgages to date as follows:

PWMIC Portfolio at October 31st, 2022

Account Number	**Category**	**Location**	**Status**	**Face Rate**	**LTV**	Proceeds	**MTG Charge**
221026251536344510001C	Residential	Langley	Current	7.95%	4%	$35,000.00	1
210722250914526800002C	Residential	Abbotsford	Current	8.95%	65%	$182,300.00	1
080709174960124474000C	Residential	Edmonton	Current	11.95%	50%	$200,000.00	1
211125251020487620001C	Residential	Chilliwack	Foreclosure	8.95%	65%	$95,500.00	1
220525251034181390003C	Residential	Chilliwack	Foreclosure	7.95%	65%	*$461,825.00*	1
210708251142070460003C	Residential	Oliver	Current	8.95%	65%	$80,000.00	1
210818251641498190006C	Residential	Richmond	Current	8.95%	65%	$788,762.85	1
220629251047123650001C	Residential	Abbotsford	Current	9.95%	65%	$666,900.00	1
210601251123271060001C	Residential	Hope	Current	8.95%	30%	$60,000.00	1

220803250902508410 001C	Residential	Chilliwack	Current	7.95%	38 %	$250,000.00	1
211027251156520490 001C	Residential	Salt Spring	Current	7.95%	47 %	$148,500.00	1
190521251535427740 013C	Residential	Vancouver	Current	10.00 %	17 %	*$51,500.00*	1
161206205180124474 000C	Residential	North Vancvouer	Current	9.95%	34 %	$292,500.00	1
161206205180124474 000C	Residential	Langley	Current	8.95%	45 %	$200,000.00	1
221206251338153820 004C	Commercial	Edmonton	Current	9.95%	50 %	$330,000.00	1
210722250907193980 001C	Residential	Port Coquitlam	Foreclosure	9.95%	55 %	$400,000.00	1
210909251106099880 002C	Commercial	Chilliwack	Current	8.95%	72 %	$166,500.00	1
190809251311061250 001C	Commercial	Harrison	Current	8.95%	65 %	$261,625.00	1
201014251442106430 003C	Residential	Cedar	Current	8.75%	57 %	$137,500.00	1
210204250922268280 002C	Residential	Surrey	Current	11.95 %	42 %	$137,000.00	1
210618251051096240 001C	Residential	Parksville	Foreclosure	9.95%	60 %	$108,000.00	1
220725251223245640 002C	Residential	Delta	Current	12.95 %	36 %	$125,000.00	1
220303251025479100 001C	Residential	Abbotsford	Foreclosure	8.95%	65 %	$269,800.00	1
140422194930124474 000C	Residential	Didsbury	Current	8.75%	65 %	$201,500.00	1
190711251007154440 002C	Residential	Vancouver	Foreclosure	8.00%	57 %	$43,750.00	1
190613250851182560 002C	Residential	Vancouver	Foreclosure	8.00%	55 %	$343,750.00	1
170516206590124474 000C	Residential	Langley	Current	8.95%	65 %	$185,000.00	1
220907250937350490 001C	Residential	Vernon	Current	7.95%	50 %	$142,500.00	1
220824251721271430 003C	Residential	Langley	Current	12.95 %	69 %	$217,500.00	1
180508209990124474 000C	Residential	Pritchard	Current	9.95%	32 %	$50,000.00	1
131216193270124474 000C	Residential	Port Hardy	Current	10.95 %	29 %	$30,407.90	1
220811251559555700 003C	Residential	Abbotsford	Current	9.95%	*63 %*	$195,000.00	1
220629251349021530 001C	Residential	Abbotsford	Current	8.95%	65 %	$247,500.00	1
210520251054237690 007C	Residential	Surrey	Current	7.95%	44 %	$190,000.00	1

200826251453494070 003C	Commercial	Scotch Creek	Current	8.95%	50 %	$233,750.00	1
190305251350052050 002C	Commercial	Nanaimo	Current	11.95 %	32 %	$278,703.12	1
200721251320027200 005C	Residential	Edmonton	Foreclosure	7.99%	59 %	$118,950.00	1
080609174630124474 000C	Residential	Raymond	Current	14.75 %	46 %	$58,712.89	1
090609167960552575 281C	Residential	Calgary	Current	7.85%	65 %	$121,875.00	1
220804251030198120 002C	Residential	Coquitlam	Current	10.95 %	31 %	$200,000.00	1
160209202200124474 000C	Commercial	Nanaimo	Current	10.95 %	59 %	$153,210.08	1 & 2
110224181870124474 000C	Residential	Nanaimo	Current	10.95 %	70 %	$10,900.00	2
190328251408537700 026C	Residential	Tappen	Current	13.95 %	57 %	$45,000.00	2
200819251011533950 001C	Residential	Summerland	Current	11.95 %	55 %	$228,750.00	2
190613250901169590 003C	Residential	Texada Island	Current	12.95 %	54 %	$210,000.00	2
160208251438433560 003C	Residential	Calgary	Current	13.95 %	66 %	$38,000.00	2
211014251437327740 002C	Residential	Crofton	Current	9.95%	71 %	$37,900.00	2
201028251004524350 002C	Residential	Abbotsford	Current	11.95 %	65 %	$100,300.00	2
220915251102538080 001C	Residential	Shuswap	Current	13.95 %	65 %	$91,468.00	2
220808251156181250 001C	Residential	Chilliwack	Current	9.95%	65 %	$87,500.00	2
220525250952052330 002C	Residential	Surrey	Current	9.95%	58 %	$165,000.00	2
131202193150124474 000C	Residential	Stadler	Current	11.95 %	75 %	$23,000.00	2
221103251234423810 001C	Residential	Gabriola Isle	Current	13.95 %	55 %	$109,250.00	2
181130251524301200 001C	Residential	Langley	Current	14.95 %	75 %	$90,000.00	2
220428251151444990 002C	Residential	Surrey	Foreclosure	12.95 %	75 %	$106,250.00	2
170706207320124474 000C	Residential	Abbotsford	Current	12.95 %	75 %	$93,750.00	2
211027251230113270 003C	Residential	Abbotsford	Foreclosure	10.95 %	54 %	$597,000.00	2

210722251331540830 002C	Commercial	Calgary	Foreclosure	12.95 %	65 %	$7,069.07	2
160210202240124474 000C	Commercial	Nanaimo	Current	11.95 %	53 %	$38,059.38	2
Total					**56 %**	**$10,539,518.29**	

LTV is the Loan To Value ratio and is one of the most important metrics in a MIC portfolio. The ratio reflects the equity in the property secured by the mortgage loan and is calculated by dividing the loan amount (plus any senior charges) by the property value. Banks lend up to 80% LTV without insurance and consider that LTV ratio safe. An LTV lower than 80% would be considered good and the lower the better from a risk assessment.

MIC Management The experience and background of the managers of a MIC are also key factors. Well run MICs have managers with many years of successful financial and mortgage management experience. Pioneer West MIC is managed by Pioneer West Acceptance Corporation whose principals have decades of successful financial, banking and mortgage experience.

2.4 *Long-Term Objectives*

Our long-term principal investment objective is to provide holders of Preferred Shares with sustainable income while preserving capital for distribution or re-investment. We will seek to achieve this principal investment objective by:

- Maintaining a diversified portfolio of first and second mortgages and other investments permitted by the Tax Act for a MIC;
- Providing a consistently superior rate of return for our Preferred Shareholders; and
- Increasing our share of the potential MIC business in Western Canada.
- Upon reaching $10MM in assets the MIC will focus on high quality low rate first mortgages and as this focus grows leverage the high quality first mortgages to achieve a higher yield in the portfolio while improving the quality and liquidity of the portfolio

2.5 *Short Term Objectives and How We Intend to Achieve Them*

Short Term Objectives

Our business objectives for the next 12 months are:

- to sell 2,000,000 or more Preferred Shares to investors in Canada;
- to invest all funds raised from the sale of Preferred Shares in permitted investments; and
- to try to maintain a rate of return for our Preferred Shareholders of approximately 7% per annum or higher.

How We Intend to Meet Our 12 Month Objectives:

What we must do and how we will do it	Target completion date, or if not known, number of months to complete	Our cost to complete
Sell two million (2,000,000) or more Preferred Shares to Investors in British Columbia.	6 to 12 months	$20,000
Invest funds raised from the sale of Preferred Shares in authorized investments.	Ongoing	2% of aggregate capital (the Manager's Fee)
Try to maintain a rate of return of approximately 10% per annum before expenses	Ongoing	Included in the Manager's fee (above)

The proceeds of this offering may not be sufficient to accomplish all of the issuer's proposed objectives. There is no assurance that alternative financing will be available.

2.6 *Material Agreements*

The following summarizes the material agreements to which we are currently a party:

- The Financial Services Agreement dated June 1, 2005 entered into with the Manager for the provision of financial services relating to the management of our Mortgage investment portfolio and location of appropriate investment opportunities. See "Item 2. Business of Pioneer West Mortgage Investment Corporation - "Financial Services" and "The Manager". The manager charges a 2% management fee payable quarterly.

- An agreement with a related company exempt market dealer, Drake Financial Ltd. dated February 15th, 2019 wherein the Drake Financial Ltd. agrees to handle all trades for Pioneer West Mortgage Investment Corporation at no cost as they are related companies. The contract is an annual one year contract that either party can terminate and/or renegotiate annually and if no notice or termination or renegotiate is given prior to the annual renewal date then the agreement stays in force for a further one year under the same terms as the previous year.

Item 3 - Directors, Management, Promoters and Principal Holders

3.1 *Compensation and Securities Held*

The following table sets out information about each director, officer and promoter of the Issuer and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "principal holder"). None of the directors or common shareholders receive any direct compensation from the Corporation; however, the directors are also shareholders of the Management Company which receives an annual 2% management fee of the assets of the Corporation, paid quarterly. One of the common shareholders is a contract broker with the Manager, and the other two common shareholders do not receive any direct or indirect benefit.

Name and municipality of principal residence	Positions held (eg. director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the issuer in the most recently completed financial year (or if the issuer has not completed a financial year, since inception) and the compensation anticipated to be paid in the current financial year (1)		Number, type and percentages of securities of the issuer held after completion of maximum offering
David Stewart West Vancouver, BC	Chairman/ Chief Executive Officer/ Secretary from inception	Nil		25 common shares (25%)
Norman Holmes Abbotsford, BC	Director/ President/ Chief Financial Officer/ V.P. Investor Relations from inception	Nil		25 common shares (25%)
Mark Ballard West Vancouver, BC	Shareholder	Nil		25 Common Shares (25%)
George Rossi Vancouver, BC	Shareholder	Nil		16 Common Shares (16%)
Lloyd H. Aasen West Vancouver, BC	Shareholder	Nil		9 common shares (9%)

None of the directors, officers or common shareholders are directly compensated by Pioneer West Mortgage Investment Corporation. David Stewart and Norman Holmes have controlling interest in the Manager which receives a 2% annual management fee from Pioneer West Mortgage Investment Corporation, which in 2022 amounted to $235,516. For 2023 it is expected to be a similar amount.

3.2 *Management Experience*

The following table discloses the principal occupations of our directors and senior officers over the past five years.

Name	Principal occupation and related experience
David Stewart	**Director, President, Co-Founder and Licensed Mortgage Broker for Pioneer West Acceptance Corporation** a mortgage brokerage and investment company in North Vancouver, B.C. One of the founders and Director of Pioneer West Acceptance Corporation, Dave holds a master degree in Organizational Management and a Bachelor degree in Technology. Dave Stewart has held several senior positions both in

	commercial and residential lending and management including Commercial Account Manager at Northland Bank and Toronto Dominion Bank.
Norman Holmes	**Director, Vice-President, Co-Founder and Licensed Mortgage Broker for Pioneer West Acceptance Corporation** a mortgage brokerage and investment company in North Vancouver, B.C. One of the founders of Pioneer West Acceptance Corporation, Norm has a Bachelor of Arts in Leadership and he holds an Accredited Mortgage Professional designation and a diploma in Financial Planning with over fifteen years of supervisory and Senior Managerial experience with numerous financial institutions including Household Finance and Trust.

3.3 ***Penalties or Sanctions***

No penalty or sanction or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last ten years against or with regard to any:

(i) director, senior officer, promoter or control person of the Corporation, or

(ii) an issuer that a person or company referred to in (i) above was a director, senior officer, promoter or control person of at that time.

Item 4 -Capital Structure

4.1 ***Outstanding Securities (other than debt)***

Description of security	**Number authorized to be issued**	**Number outstanding as at October 31, 2021**		**Number outstanding assuming completion of max. offering**
Common shares	1,000,000	100		100
Preferred Shares	20,000,000	11,259,136		20,000,000

4.2 ***Long Term Debt***

We have no long-term debt.

4.3 ***Prior Sales***

Since inception the Company has issued $18,234,151.20 shares up to October 31, 2022 and there have been $5,376,309.21 retracted during the same period. The retracted shares were all completed in accordance with the retraction rights in Section 5.1 “Retraction Rights” within 90 days of the request.

In the past twelve months the Company has issued $ 1,852,259 shares up to October 31, 2022 and there have been $ 818,390 retracted during the same period.

Since the Company was incorporated we have issued 100 Common Shares.

Item 5 - Description of Securities Offered

5.1 ***Terms***

We are offering up to 20,000,000 Preferred Shares for sale at a price of $1.00 per Preferred Share.

The rights and restrictions attached to the Preferred Shares are as follows:

Voting Rights

The holders of the Preferred Shares shall not be entitled to receive notice of, attend or vote at any general meetings of the members of the Corporation unless hereinafter specifically provided.

Dividend Entitlement

As a MIC, the Corporation is entitled to distribute its distributable earnings by way of dividends which are treated, for the purposes of the Tax Act, as income received by the shareholder as interest paid on a bond. The Corporation will declare and pay dividends monthly and will declare and pay a final dividend for each fiscal year for the balance of its distributable earnings within 90 days of the fiscal year end.

Investors may elect to receive their dividends in cash or in further Preferred Shares. Dividend Preferred Shares will be issued at $1.00 per Preferred Share.

The holders of the Preferred Shares shall be entitled to receive and the Corporation shall pay thereon as and when declared by the Board of Directors of the Corporation, preferential non-cumulative dividends payable on such terms, including by cash or stock, and in such amounts as shall be determined by the Directors from time to time. Notwithstanding, the declaration of dividends in each fiscal year shall only be in accordance with the following. Firstly, in any fiscal year, no dividend shall be declared on the Common Shares unless and until dividends have been declared on the Preferred Shares. After such Preferred Share dividends shall have been declared, the holders of the Common Shares shall be entitled to receive an equivalent dividend per paid up Common Share prior to the declaration of any further dividends on the Preferred Shares in the same fiscal year. After the declaration of Common Share dividends as aforesaid, for the balance of the same fiscal year the Preferred and Common Shares shall participate equally, on a per share basis, with respect to any further dividends, provided that nothing herein shall be construed as requiring the Directors to declare dividends on the Common shares in a fiscal year after the declaration of a dividend on the Preferred Shares.

Redemption Rights

The Corporation may, upon giving notice as provided in the Corporation's Articles, and subject to the provisions of the British Columbia *Business Corporations Act*, redeem at any time or from time to time the whole or any part of any class of shares pursuant to the Act in such proportions of the classes of shares of the Corporation as the Directors may specify, on payment of the redemption price for each share to be redeemed (herein called the "Redemption Price"). The Redemption Price for each Common Share and for each Preferred Share shall be the amount paid up thereon plus any declared but unpaid dividends thereon.

Retraction Rights

Subject to the provisions of the Business Corporations Act of British Columbia and applicable securities laws, a holder of Preferred Shares may with respect to any Preferred Shares that have been registered in the name of the holder ("Retractable Shares"), by giving written notice to the Corporation (the "Redemption Notice"), request that the Corporation redeem the whole or any part of the Retractable Shares held by such holder. Upon receipt by the Corporation of the Redemption Notice, the holder of Retractable Shares shall thereafter cease to have any rights with respect to the Retractable Shares tendered for redemption (other than to receive the redemption payment. Preferred Shares shall be considered to be tendered for redemption on the date that the Corporation has, to the satisfaction of the Directors, received the Redemption Notice (the "Notice Date").

On the last business day of the calendar month which is three full months following the month in which the Redemption Notice is received by the Corporation (the "Date of Redemption"), the Corporation will be required to redeem the Redeemable Shares specified in the Redemption Notice. The redemption price for each Redeemable Share to be redeemed will be the book value of the Preferred Shares calculated using the unaudited monthly balance sheet for the month during which the Redemption Notice is given. During the notice period (three full months following the month in which the Redemption Notice is received by the company) the Retractable Shares will not be eligible for any dividend and the redemption price will be solely the book value of the Preferred Shares.

If the retraction request is for more than 50% of the total number of original shares purchased, then the legal fees charged by the company's lawyer to file reports and complete the share retractions, will be borne by the Preferred Shareholder making the retraction request and deducted from their total share retraction.

The Corporation will not redeem Preferred Shares for which Redemption Notices are given, if: (i) redemption of the aggregate number of Preferred Shares subject to the Redemption Notices would result in the Corporation having redeemed a number of Preferred Shares during the period of time since the start of the most recent fiscal year which is greater than 25% of the Preferred Shares issued and outstanding (as at the beginning of the fiscal year during which the last of such Redemption Notices are given); or (ii) redemption of the aggregate number of Preferred Shares subject to the Redemption Notices given in a calendar month would result in the Corporation having redeemed a number of Preferred Shares on the corresponding Date of Redemption which is greater than 5% of the Preferred Shares issued and outstanding (as at the beginning of the fiscal year during which such Redemption Notices are given). The Directors may, in their sole discretion, waive either or both of the aforementioned limitations for any Date of Redemption, and failing such waiver, Preferred Shares which are subject to Redemption Notices given in any one calendar month will be redeemed on a basis which is pro rata to the number of Preferred Shares subject to such Redemption Notices.

Notwithstanding the foregoing, the Corporation shall not be required to redeem Shares if to do so would cause the Corporation to cease qualifying as a MIC or jeopardize the ability of the Corporation to maintain reasonable profitability in its portfolio of mortgages. The Act does not permit the Corporation to make any payment to purchase or redeem any Shares issued by it if there are reasonable grounds for believing that the Corporation is, or would after the payment be insolvent.

To date, there have been $5,376,309.21 shares retracted and in all cases the retracting shareholders have received their funds within 90 days of the requests. The retracted funds have been paid either from new share issuances and/or cash payouts of mortgage investments. There have been no instances of a requested shareholder retraction being delayed or denied.

Entitlement on Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property or assets of the Corporation amongst its members for the purpose of winding up its affairs:

(i) The holders of the Preferred Shares shall be entitled to receive an amount equal to the aggregate amount paid up on the shares held by them respectively together with any declared and unpaid dividends thereon. After the holders of the Preferred Shares have received such amount, the holders of the Common Shares shall be entitled to receive an amount equal to the aggregate amount paid up on the common shares held by them respectively together with any declared and unpaid dividends thereon.

(ii) After the Corporation has made the foregoing distributions, the holders of the Preferred Shares shall be entitled to receive the remaining amount available for distribution.

(iii) Any amounts to be distributed to holders of any class of shares pursuant to the foregoing shall be distributed pro rata amongst the holders of shares of such class according to the number of such shares held by each.

Constraints on Transferability

Paragraph 130.1(6)(d) of the Tax Act stipulates that to qualify as a MIC, a corporation must have at least twenty (20) shareholders and no one (1) shareholder may be a Specified Shareholder (defined below) of the Corporation. A Specified Shareholder, as defined in the Tax Act, would include a taxpayer, and any person related to the taxpayer, who owns, directly or indirectly, more than 25% of the issued shares of any class of the capital stock of the Corporation (a "Specified Shareholder").

The Tax Act states that a trust governed by a registered pension plan or a deferred profit sharing plan is counted as four (4) shareholders for purposes of determining the number of shareholders and one (1) shareholder for purposes of determining if a shareholder is a Specified Shareholder.

The Directors intend to refuse registration of any transfer of Shares and to make any share allotment which would result in the Corporation ceasing to meet the qualifications of a MIC. (Check articles)

As the Corporation is not currently a reporting issuer the Preferred Shares are subject to resale restrictions pursuant to applicable securities law. See Item 10. "Resale Restrictions".

5.2 ***Subscription Qualification***

We are offering the Preferred Shares in all Canadian Provinces (the "Province") relying on Drake Financial Ltd. as our Exempt Market Dealer in British Columbia, Alberta and other provinces.

The offering is being made in accordance with certain statutory registration and prospectus exemptions contained in securities legislation in the Province. Such exemptions relieve the Corporation from provisions under such statutes requiring the Corporation to utilize a registered dealer to sell the Preferred Shares and file a prospectus. As such, you will not receive the benefits associated with the involvement of such registrants or the benefits associated with purchasing the Preferred Shares pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority in such jurisdictions.

We are offering the Preferred Shares under the "Offering Memorandum" Exemption (the "OM Exemption") and the "Family, Friends and Business Associates" Exemption (the "FF&BA Exemption") in Multilateral Instrument 45-106 ("Form45-106F4"). You should keep a signed copy of this form. In order for the

Corporation to rely on the OM Exemption, you must purchase the Preferred Shares as principal and, before purchasing the Preferred Shares, you must be given a copy of this Offering Memorandum and sign the "Risk Acknowledgement Form" which has been provided to you with this Offering Memorandum, and either be:

(a) purchasing Preferred Shares with an aggregate acquisition cost not exceeding $10,000; or

(b) an “eligible investor” under one of the following definitions of “eligible investor”:

(i) a person or company whose:

a. net assets, alone or with a spouse, exceed $400,000; or

b. net income before taxes exceeded $75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year; or

c. net income before taxes combined with that of a spouse exceeded $125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year; or

(ii) a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors; or

(iii) a general partnership in which all of the partners are eligible investors; or

(iv) a limited partnership in which the majority of the general partners are eligible investors; or

(v) a trust or estate in which either all of the beneficiaries or a majority of the trustees are eligible investors; or

(vi) an accredited investor as defined in Appendix “A” to the Subscription Agreement accompanying this Offering Memorandum; or

(vii) a person or company described in section 3.1 of Form 45-103F3; or

(viii) a person or company that has obtained advice regarding suitability of the investment and, if the person or company is resident in a Canadian jurisdiction, that advice has been obtained from an eligibility adviser as defined in Form 45-103F3

In order for the Corporation to rely on the FF&BA Exemption, you must purchase the Preferred Shares as principal and be one of the following:

(a) a director, senior officer or control person of the Corporation or of an affiliate of the Corporation; or

(b) a spouse, parent, grandparent, brother, sister or child of a director, senior officer or control person of the Corporation or of an affiliate of the Corporation; or

(c) a close personal friend of a director, senior officer or control person of the Corporation or of an affiliate of the Corporation; or

(d) a close business associate of a director, senior officer or control person of the Corporation or of an affiliate of the Corporation; or

(e) a person or company that is wholly owned by any combination of persons or companies described in (a) to (d) above,

(all terms as defined in the *Securities Act* (British Columbia) (the "BCSA")

You will be restricted from selling your securities for an indefinite period. See Item 10.

5.3 ***Subscription Procedure***

You may subscribe for Preferred Shares by delivering the following documents to us at the address shown in the Subscription Agreement;

(a) An executed subscription agreement, in the form provided with this Offering Memorandum;

(b) a certified cheque or bank draft made payable to "Pioneer West Mortgage Investment Corporation" re: PWMIC Shares, in the amount of the subscription price for the Preferred Shares; or an irrevocable direction to a financial institution to deliver to the Corporation full payment for the Preferred Shares upon delivery of certificates representing such Preferred Shares to the financial institution or to the Subscriber; and

(c) if required, an executed Form 45-106F4 provided with this Offering Memorandum.

The company, Pioneer West Mortgage Investment Corporation, will hold, and not deposit your subscription funds until midnight on the second business day after the day on which we received your signed subscription agreement. After this, we will deposit the subscription funds upon closing, as confirmed by the exempt market dealer. See Item 11. "Purchaser's Rights".

We anticipate that there will be multiple closings. We anticipate an indefinite closing date and this offering to be updated annually. We may close the offering on an earlier or later date as we may determine.

We reserve the right to accept or reject a subscription for the Preferred Shares in whole or in part and the right to close the subscription books at any time without notice. Any investment funds for subscriptions that we do not accept will be promptly returned after we have determined not to accept the investment funds.

At a closing of the offering or sooner, we will deliver to you certificates representing fully paid and non-assessable Preferred Shares, provided the subscription price has been paid in full.

You should carefully review the terms of the Subscription Agreement provided herewith for more detailed information concerning the rights and obligations of you and the Corporation. Execution and delivery of the subscription agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors respecting this investment. See Item 8. "Risk Factors".

Item 6 - Income Tax Consequences

The following is a summary of the principal Canadian federal income tax consequences of acquiring, holding and disposing of the Preferred Shares by a subscriber who, at all relevant times, is a resident of Canada, deals with the Corporation at arm's length, and who acquires and holds the Preferred Shares as capital property. Subscribers to whom the Preferred Shares might not constitute capital property may elect, in certain circumstances, to have such property treated as capital property by making the election permitted by s. 39(4) of the Tax Act. This summary is not applicable to any holder of Preferred Shares which is a "financial institution", as defined in section 142.2 of the Tax Act or to any holder of Preferred Shares an interest in which is a "tax shelter investment" for the purposes of the Tax Act.

This summary is based upon the facts set out in this Offering Memorandum, the current provisions of the Tax Act and the regulations there under, all specific proposals (the "Tax Proposals") to amend the Tax Act and the regulations there under publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current published administrative practices of the Canada Revenue Agency ("CRA"). This summary assumes that the Tax Proposals will be enacted as currently proposed but does not take into account or anticipate any other changes in law whether by legislative, governmental or judicial action and does not take into account tax legislation or considerations of any province, territory or foreign jurisdiction.

The summary contained in this section is of a general nature only and is not exhaustive of all possible Canadian federal income tax consequences. It is not intended to be and should not be interpreted as legal or tax advice to any particular subscriber. You should consult with your own tax advisor regarding the income tax consequences to you of acquiring holding and disposing of the Preferred Shares including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary is based on the assumption that the Corporation meets certain conditions which are imposed by the Tax Act on the Corporation in order for the Corporation to qualify as a MIC there under. These conditions will generally be satisfied if, throughout a taxation year of the Corporation:

(a) the Corporation was a Canadian corporation as defined in the Tax Act;

(b) the Corporation's only undertaking was the investing of funds and it did not manage or develop any real property;

(c) no debts were owed to the Corporation by non-residents unless such debts are secured on real property situated in Canada.

(d) the Corporation did not own shares of non-resident corporations;

(e) the Corporation did not hold real property located outside of Canada;

(f) the Corporation did not loan funds where the security for such loans is real property located outside of Canada;

(g) the cost amount of the Corporation's property represented by Mortgages on houses or on property included within a housing project (as those terms are defined in the *National Housing Act*), together with cash on hand and deposits with a bank or any other corporation whose deposits are insured by the Canada Deposit Insurance Corporation or a credit union (collectively, the "Qualifying Property"), was at least 50% of the cost amount to it of all of its property;

(h) the cost amount of real property (including leasehold interests therein but excluding real property acquired as a consequence of foreclosure or defaults on a Mortgage held by the Corporation) owned by the Corporation did not exceed 25% of the cost amount to it of all of its property;

(i) the Corporation had at least 20 shareholders (in its first taxation year the Corporation must have at least 20 shareholders on the last day of that year) and no person would have been a Specified Shareholder of the Corporation at any time in the taxation year;

(j) holders of Preferred Shares had a right, after payment to them of their preferred dividends, and payment of dividends in a like amount per share to the holders of the Common Shares to participate pari passu with the holders of common shares in any further payment of dividends; and

(k) the Corporation's liabilities did not exceed three times the amount by which the cost amount to it of all of its property exceeded its liabilities, where at any time in the year the cost amount to it of its Qualifying Property is less than 2/3 of the cost amount to it of all of its property, or, where throughout the taxation year the cost amount to it of its Qualifying Property equalled or exceeded 2/3 of the cost amount of all of its property, the Corporation's liabilities did not exceed five times the amount by which the cost amount to it of all of its property exceeded its liabilities;

It is intended, and this summary assumes, that these requirements will be satisfied so that the Corporation will qualify as a MIC at all relevant times. If the Corporation were not to qualify as a MIC, the income tax consequences would be materially different from those described below.

Taxation of the Corporation

The Corporation will, in computing its taxable income, generally be entitled to deduct the full amount of all taxable dividends (other than capital gains dividends) which it pays during the year or within 90 days after the end of the year to the extent that such dividends were not deductible by the corporation in computing its income for the preceding year. As a MIC is deemed to be a public corporation no capital dividends can be paid by the Corporation. However, a MIC may declare a capital gains dividend in an amount equal to the gross amount of its capital gains and is entitled to deduct a portion of such dividend from its taxable income. As discussed below, a capital gains dividend is taxed in the hands of a shareholder as a capital gain arising from a notional disposition of capital property. The combination of the Corporation's deduction for capital gains dividends and the shareholder's deemed capital gain will allow the Corporation to flow capital gains through to a shareholder on a tax efficient basis. As a public corporation, the Corporation will be subject to tax at the highest corporate rates. However, the Corporation intends to declare dividends and capital gains dividends each year in sufficient amounts to reduce its taxable income to nil.

Taxation of Shareholders

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

Generally speaking, (other than capital gains dividends which are paid by the Corporation on the Preferred Shares) dividends paid on the Preferred Shares from income earned by the Corporation through interest earned on Mortgages will be included in shareholders' incomes as interest. Capital gains dividends will be treated as realized capital gains of shareholders, and will be subject to the general rules relating to the taxation of capital gains. **THE NORMAL GROSS UP AND DIVIDEND TAX CREDIT RULES WILL NOT APPLY TO DIVIDENDS PAID BY THE CORPORATION TO AN INDIVIDUAL AND TRUSTS ON A PREFERRED SHARE AND SHAREHOLDERS THAT ARE CORPORATIONS WILL NOT BE ENTITLED TO DEDUCT THE AMOUNT OF DIVIDENDS PAID BY THE MIC FROM THEIR TAXABLE INCOME.**

The cost to a Subscriber of Preferred Shares acquired pursuant to this offering will equal the purchase price of the Preferred Shares plus the amount of any other reasonable costs inclusive of compensation paid to sellers incurred in connection therewith. This cost will be averaged with the cost of all other Preferred Shares held by the subscriber to determine the adjusted cost base of each Preferred Share.

A disposition or a deemed disposition of Preferred Shares (other than to the Corporation) will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition of the Preferred Shares exceed (or are exceeded by) the adjusted cost base of the Preferred Shares and the disposition costs. Amounts paid by the Corporation on the redemption or acquisition by it of a Preferred Share up to the paid-up capital thereof, will be treated as proceeds of disposition. Any amount paid by the Corporation on the redemption or acquisition of a Preferred Share which is in excess of the paid-up capital of such Preferred Share will be deemed to be a dividend and will be included in the income of a holder of Preferred Shares, in accordance with the rules described above.

Under the Tax Proposals, fifty percent of any capital gain realized by a Shareholder (including capital gains deemed to be realized as a result of a receipt of a capital gains dividend) will be included in the Shareholder's income under the Tax Act as a taxable capital gain. Under the Tax Proposals, subject to certain specific rules in the Tax Act, one-half of any capital loss realized in a taxation year may be deducted against any taxable capital gains realized by the shareholder in such year, in the three preceding taxation years or in any subsequent taxation year.

The taxable capital gains realized by a shareholder that is an individual may give rise to alternative minimum tax depending upon the shareholder's circumstances. A Shareholder that is a "Canadian Controlled Private Corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6% on certain investment income, including amounts in respect of interest and taxable capital gains. The 6% tax is to be added to such corporation's refundable dividend tax on-hand account and will be eligible for refund at a rate of $1.00 for every $3.00 of dividends paid by the Corporation.

Eligibility for Investment by Deferred Income Plans

The Preferred Shares will be qualified investments for a trust governed by a Registered Retirement Savings Plan ("RRSP"), Registered Educational Savings Plan ("RESP"), Deferred Profit Sharing Plan ("DPSP"), or a Registered Retirement Income Fund ("RRIF"), or a Tax Free Savings Account ("TFSA"), (collectively, a "Deferred Income Plan") at a particular time if the Corporation qualifies as a MIC under the Tax Act at such particular time and if throughout the calendar year in which the particular time occurs, the Corporation does not hold as part of its property any indebtedness, whether by way of Mortgage or otherwise, of a person who is an annuitant, a beneficiary, an employer or a subscriber, as the case may be, under the relevant Deferred Income Plan or of any other person who does not deal at arm's length with that person. Deferred Income Plans will generally not be liable for tax in respect of any dividends received from the Corporation.

A Deferred Income Plan is subject to a special tax under Part XI of the Tax Act if the cost amount of its investment in foreign property (as defined in the Tax Act) at the end of a month exceeds a certain percentage of the cost amount of all property then held by it. It is anticipated that Preferred Shares held by a Deferred Income Plan will not be foreign property for these purposes.

If the Corporation fails to qualify as a MIC at any time throughout a taxation year, shares of the Corporation may cease to be a qualified investment for a Deferred Income Plan. When a Deferred Income Plan holds a non-qualified investment at the end of a month, the trust governed by the plan will be subject to a tax of 1% of the fair market value of the investment at the time it was acquired.

If an RRSP or RRIF holds a non-qualified investment at any time during a particular year, the RRSP or RRIF will be subject to a tax under Part I of the Tax Act on income attributable to the non-qualified investment. RESPs which hold non-qualified investments can have their registration revoked by Canada Customs and Revenue Agency.

Item 7 - Compensation Paid to Sellers and Finders

No exclusive Selling Agent has been appointed by the Corporation. The Preferred Shares will be offered in the Province of Canada when allowed, directly to potential Investors or, where permitted by applicable law, distributed through agents or other third parties. Commissions paid to Selling Agents whose clients purchase the Preferred Shares may be paid by the MIC from Proceeds of the Offering and will not result in additional fees being paid by the Investors. No commissions are payable to the Manager or to the officers, directors and employees of the Corporation or the Manager. Commissions may be paid in cash immediately upon the Corporation accepting a subscription or paid over time.

Item 8 - Risk Factors

In addition to factors set forth elsewhere in this Offering Memorandum, potential subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Preferred Shares. The following is a summary only of the risk factors involved in an investment in the Preferred Shares. Investors should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Preferred Shares.

Our securities are highly speculative

An investment in the Preferred Shares is highly speculative. You should buy them only if you are able to bear the risk of the entire loss of your investment and have no need for immediate liquidity in your investment. An investment in the Preferred Shares should not constitute a major portion of your portfolio.

Because there is no market for our securities, you may not be able to sell your securities

You may never be able to sell your Preferred Shares and recover any part of your investment, unless we are able to complete a subsequent public offering or we are able to sell the Corporation for cash or merge with a public company.

The Preferred Shares are not insured

The Corporation is not a member institution of the Canada Deposit Insurance Corporation and the Preferred Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. See Item 2. "Use of Proceeds" and Item 6. "Income Tax Considerations". The Preferred Shares are retractable at the option of the holder but only under certain circumstances. See Item 4. "Capital Structure."

There is no guaranteed return on your investment

There is no guarantee that an investment in Preferred Shares will earn any positive return. Past performance cannot be taken as an accurate indicator of future performance. There can be no guarantee that the Corporation will be able to generate sufficient cash flow and income for investors to earn a minimum or any return on their investment in Preferred Shares.

Failure to qualify as a MIC under the Tax Act will have adverse tax consequences

Under the Corporation’s articles, the Company’s directors are required to use their best efforts to ensure that the Corporation qualifies and remains qualified as a MIC pursuant to the Tax Act. Additionally, the Manager has agreed, in the Management Services Agreement, to perform its duties as the manager of a MIC in compliance with the Tax Act.

There can be no guarantee, however, that the Corporation will be able to meet the qualifications of a MIC under the Tax Act at all times. If, at any point in a fiscal year, the Corporation fails to maintain its qualification as a MIC under the Tax Act, dividends paid by the Corporation on the Preferred Shares will cease to be deductible from the Corporation's income and the Preferred Shares, unless listed on a prescribed stock exchange for the purposes of the Tax Act, may cease to be qualified investments for Deferred Income Plans. See Item 6. "Income Tax Considerations".

The normal gross-up and dividend tax credit rules do not apply to dividends paid on securities of the Corporation and corporate holders of the Preferred Shares will not be entitled to deduct the amount of any dividends paid on their Preferred Shares from their taxable income. See Item 6. "Income Tax Considerations".

Our investments are secured against real property whose value can fluctuate

The Corporation's investments in Mortgage loans will be secured by real estate. All Real Property investments are subject to elements of risk. Real Property value is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants, competition from other available properties and other factors. While independent appraisals are required before the Corporation may make any Mortgage investments, the appraised values provided therein, even where reported on an "as is" basis are not necessary reflective of the market value of the underlying real property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or lease-up improvements on the real property providing security for the investment. There can be no guarantee that these conditions will be satisfied and if, and to the extent, they are not satisfied, the appraised value may not be achieved. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the real property at the time the conditions are satisfied.

The value of income producing real property may also depend on the credit worthiness and financial stability of the borrowers. The Corporation's income and funds available for distribution to security holders would be adversely affected if a significant number of borrowers were unable to pay their obligations to the Corporation or if the Corporation were unable to invest its funds in commercial Mortgages on economically favourable terms. On default by a borrower, the Corporation may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment.

Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, Mortgage payments, insurance costs and related charges must be made through the period of ownership of real property regardless of whether the property is producing income. The Corporation may be required to incur such expenditures to protect its investment, even if the borrower is not making debt service required of it under the Mortgage.

Real property Mortgage investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and for the perceived desirability of the investment. Such iliquidity may tend to limit the Corporation's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Corporation were required to liquidate its real property Mortgage investments, the proceeds to the Corporation might be significantly less than the total value of its investment on a going concern basis.

The Corporation will be subject to the risks associated with debt financing, including the risk that Mortgage indebtedness secured by the properties of the Corporation will not be able to be refinanced or that the terms of re-financing will not be as favourable as the terms of existing indebtedness.

We may be unable to make investments

The Corporation may commit to making future Mortgage investments in anticipation of repayment of principal outstanding under existing Mortgage investments. In the event that such repayments of principal are not made in contravention of the borrowers' obligations, the Corporation may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may face liability in connection with its failure to make such advances.

We will be competing with others for Mortgage loans

The Corporation will be competing for Mortgage loans with individuals, corporations and institutions (both Canadian and foreign) which are seeking or may seek Mortgage loan investments similar to those desired by the Corporation. Many of these investors will have greater financial resources than those of the Corporation, or operate without the investment or operating restrictions of the Corporation or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in Mortgage investments, may increase competition for real property investments, thereby increasing purchase prices and reducing the yield on investments.

We may borrow additional funds to make investments which may require us to assign some of our Mortgages, and means that the Preferred Shares will be in subordination to such loans

The Corporation will be entitled to, and may incur indebtedness secured by the Corporation's assets to purchase Mortgage investments. There can be no assurance that such a strategy will enhance returns, and in fact, such strategy may reduce returns.

In determining the Corporation’s cash flow priorities, loan payments will take priority over the payment of dividends, and in the event of the voluntary or involuntary bankruptcy or winding up of the Corporation, the repayment of loans will take priority over the payment of dividends and return of capital to the holders of the Preferred Shares.

The security which the Corporation is required to furnish when incurring indebtedness may include an assignment of its Mortgages to a third party lender. If the Corporation is unable to service its debt to such lender, a loss could result if the lender exercises its rights of foreclosure or sale.

We cannot guarantee the profitability of our Mortgage portfolio

Although the Corporation will endeavour to maintain a diversified portfolio as disclosed under Item 2 "Business of Pioneer West Mortgage Investment Corporation - Investment Objective and Strategy", the composition of the Corporation's investment portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in the Corporation's portfolio being less diversified than anticipated. There is no assurance that the Corporation's Mortgage portfolio will reflect the Manager's Mortgage portfolio and in fact the composition of the Corporation's Mortgage portfolio may render it less profitable than the Manager's Mortgage portfolio. See "Conflicts of Interest" below.

Changes in Legislation may adversely affect our profitability

There can be no assurance that income tax laws and government incentive programs relating to the real estate industry will not be changed in a manner which adversely affects the Corporation or distributions received by its security holders.

Our performance may be affected by environmental and other regulatory matters

Although the Corporation generally obtains an evaluation of the property to be subject to the Mortgage, in the form of a Phase I Environmental Audit, as disclosed under Item 2. "Business of Pioneer West Mortgage Investment Corporation - Investment Practices and Restrictions", environmental legislation and policies have become an increasingly important feature of property ownership and management in recent years. Under various laws, the Corporation could become liable for the costs of effecting remedial work necessitated by the release, deposit or presence of certain materials, including hazardous or toxic substances and wastes at or from a property, or disposed of at another location. The failure to effect remedial work may adversely affect an owner's ability to sell real estate or to borrow using the real estate as collateral and could result in claims against the owner.

The Corporation follows the environmental program of the Manager, which includes policies and procedures to review and monitor environmental matters associated with its properties. The Manager's environmental policy usually includes a Phase I Environmental Audit when warranted, conducted by an independent and experienced environmental consultant, before advancing a loan or acquiring a Mortgage.

We rely on the knowledge and expertise of the Manager

The Corporation will be dependent on the knowledge and expertise of the Manager for investment advisory and portfolio management services under the Financial Services Agreement. Any inability of the Manager to perform competently or on a timely basis will negatively affect the Corporation. There is no certainty that the persons who are currently officers and directors of the Manager will continue to be officers and directors of the Manager for an indefinite period of time. See "Conflicts of Interest" below and Item 2. "Business of Pioneer West Mortgage Investment Corporation - "The Manager".

Absence of Management Rights

The Preferred Shares do not carry voting rights so an investor will have no opportunity to take part in the control or management of the Corporation's business, including the election of directors.

Conflicts of interest

Certain of the Corporation's directors and officers are also directors or officers of the Manager and accordingly there may be conflicts of interest if the interests of these companies are inconsistent. See Item 2. - "Business of Pioneer West Mortgage Investment Corporation - The Manager".

The Manager having entered into the Financial Services Agreement with the Corporation is entitled to earn a fee for providing services to the Corporation. Conflicts of interest may arise because of the fact that the directors and officers of the Manager are engaged in a wide range of investing and other business activities which may include real property financing in direct competition with the Corporation. The Manager has established, and intends to establish in the future, other investment vehicles which may involve transactions which conflict with the interests of the Corporation.

The services of the Manager, the directors and officers of the Manager and the members of its credit committee are not exclusive to the Corporation. The Manager, its affiliates, members of its credit committee and their affiliates may, at any time, engage in promoting or managing any other corporation or its investments including those which may compete directly or indirectly with the Corporation.

Although none of the directors or officers of the Corporation will devote all of his or her full time to the business and affairs of the Corporation each will devote as much time as is necessary to supervise the management of or to advise on the business and affairs of the Corporation. See Item 8. "Conflicts of Interest", Item 2. "Business of Pioneer West Mortgage Investment Corporation - Material Contracts", Item 3. "Description of the Corporation - Directors, Management, Promoters and Principal Holders" and "Interest of Management of Others".

Mortgage Fraud

Mortgage Fraud has traditionally been a risk that mortgage managers have to account for. In the past British Columbia has not been a target due to the electronic land titles system and the land title laws requiring all legal documents to be notarized directly by the property owners. Alberta and Ontario have traditionally seen the highest levels of mortgage fraud due to their lack of these two safeguards. The majority of business funded by Pioneer West Mortgage Investment Corporation is in British Columbia with a minority in Alberta. In both provinces management mitigates risk in mortgage fraud by requiring title insurance on all new mortgage (specifically insuring against mortgage fraud) as well as using senior real estate law firms to close all transactions and get government issued picture identification. Management also heavily scrutinizes all appraisals and obtains transmittal letters on most file to ensure appraisals are accurate and not subject to fraud.

Money Laundering

Recently there has been a lot of concern in British Columbia about money laundering and management mitigates against money laundering by not handling any cash, handling all closings through Canadian banks and/or lawyer trust accounts where source of funds policies per FINTRAC are rigidly enforced. All new investors are vetted by Drake Financial Ltd., a regulated exempt market dealer with KYC requirements specifically including source of funds and FINTRAC reporting requirements.

Item 9 - Reporting Obligations

Neither the Corporation nor the Manager are reporting issuers and therefore are not subject to most of the continuous reporting obligations imposed on reporting issuers by securities legislation in British Columbia. Audited financial statements will be prepared by a qualified firm of chartered accountants and will be made available to you annually.

- Resale Restrictions

The Preferred Shares will be subject to a number of resale restrictions including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Preferred Shares unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation.

Unless permitted under applicable securities legislation, you cannot trade the securities before the earlier of the date that is 12 months and a day after the Corporation:

- becomes a reporting issuer in the Canadian province or territory in which you reside, or first becomes a reporting issuer in British Columbia and a SEDAR filer.

Item 10 - Purchaser's Rights

If you are resident in a Canadian province and you are purchasing the Preferred Shares based on the "Offering Memorandum" Exemption (see Item 5. "Description of Securities Offered - Subscription Procedure") you have the following rights under securities legislation:

If you are purchasing the Preferred Shares under the OM Exemption, you have the following rights:

- **Two Day Cancellation Right -** You can cancel your agreement to purchase the Preferred Shares offered by this Offering Memorandum. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the Preferred Shares.

- **Rights in the Event of a Misrepresentation -** If there is a misrepresentation in this Offering Memorandum you have a right of action for damages or rescission against the Corporation if the Offering Memorandum or any amendment hereto contains a misrepresentation.

  The rules to the BCSA provide, in effect, that when, in certain circumstances, a seller delivers an Offering Memorandum or an amendment thereto to an investor to whom securities are sold, the investor must be given a contractual right of action against the issuer of the securities for rescission or damages. This right of action must reasonably correspond to the right provided in section 131 of the BCSA applicable to a prospectus and may be summarized as follows:

  In the event that this Offering Memorandum together with any amendments thereto, contains a misrepresentation and it was a misrepresentation on the date of your investment, you will have a right of action for rescission or alternatively for damages, while still the owner of any of the Preferred Shares, provided that:

  (a) the Corporation will not be held liable if you purchased the securities with knowledge of the misrepresentation;

  (b) in an action for damages, the Corporation will not be liable for all or any portion of such damages which it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;

  (c) in no case will the amount recoverable exceed the price at which the Preferred Shares were sold to you; and

  (d) the right of action for damages or rescission will be in addition to any other right or remedy available to you at law.

  The right of action for rescission or damages will be enforceable by you only if you give notice to the Corporation not later than 90 days after the date on which the payment is made for the Preferred Shares in respect of which you are exercising this right, and an action is commenced to enforce such right:

  (a) in the case of an action for rescission, within 180 days after the date of the purchase; or

  (b) in the case of an action for damages, within the earlier of 180 days following the date you had knowledge of the misrepresentation and three years following the date of purchase.

You may have other rights in addition to those described above. For information about your rights, you should consult a lawyer.

FINANCIAL STATEMENTS

Pioneer West Mortgage Investment Corporation

FINANCIAL STATEMENTS

FOR THE YEAR ENDED OCTOBER 31, 2022

(Expressed in Canadian Dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Pioneer West Mortgage Investment Corporation.

Opinion

We have audited the accompanying financial statements of Pioneer West Mortgage Investment Corporation. (the "Company"), which comprise the statement of financial position as at October 31, 2022 and the statements of comprehensive income, changes in shareholders' deficiency and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in British Columbia, Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended October 31, 2021 were audited by another firm of independent auditors who expressed an unmodified opinion on those statements in their report dated February 28, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relate to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We comunicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Vancouver, British Columbia
April 18, 2023

PIONEER WEST MORTGAGE INVESTMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2022
(Expressed in Canadian Dollars)

	Note	2022	2021
		$	$
Assets			
CURRENT ASSETS			
Cash		1,343,317	189,169
Amounts receivable		2,200	8,265
Mortgages receivable	4	10,226,340	10,258,528
		11,571,857	10,455,962
Liabilities			
CURRENT LIABILITIES			
Trade and other payables		80,144	45,071
Prepaid mortgage interest		31,563	34,201
Dividends payable	6	204,422	181,682
Redeemable preferred shares	6	11,259,136	10,225,267
		11,575,265	10,486,221
Shareholders' Deficiency			
Share capital	6	100	100
Deficit		(3,508)	(30,359)
		(3,408)	(30,259)
		11,571,857	10,455,962

Approved on behalf of the Board:

________________ Director   Norman Hel____ Director

See notes to financial statements

PIONEER WEST MORTGAGE INVESTMENT CORPORATION
STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED OCTOBER 31, 2022
(Expressed in Canadian Dollar)

	Note	2022	2021
		$	$
REVENUE			
Interest		1,022,511	783,633
Renewal and other fees		58,478	50,919
		1,080,989	834,552
Expenses			
Interest and bank charge		959	816
Management fees	5	235,516	190,943
Office and miscellaneous		1,885	3,552
Professional fees		25,904	31,027
Provision for mortgage impairment (recoveries)	4	47,000	(61,560)
		311,264	164,778
NET INCOME AND COMPREHENSIVE INCOME		769,725	669,774

See notes to financial statements

PIONEER WEST MORTGAGE INVESTMENT CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE YEAR ENDED OCTOBER 31, 2022
(Expressed in Canadian Dollar)

	Share Capital	Deficit	Total
	$	$	$
Balance as at October 31 2020	100	(107,191)	(107,091)
Net income for the year	-	669,774	669,774
Dividends declared and paid (Note 6)	-	(592,942)	(592,942)
Balance as at October 31, 2021	100	(30,359)	(30,259)
Balance as at October 31, 2021	100	(30,359)	(30,259)
Net income for the year	-	769,725	769,725
Dividends declared (Note 6)	-	(742,874)	(742,874)
Balance as at Octoer 31, 2022	100	(3,508)	(3,408)

PIONEER WEST MORTGAGE INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2022

	2022	2021
	$	$
Operating Activities		
Net income	769,725	669,774
Items not involving cash:		
Provision for mortgage impairment (recoveries)	47,000	(61,560)
Interests revenue	(17,088)	
Changes in non-cash operating working capital:		
Amounts receivable	6,065	59,337
Trade and other payables	35,073	26,171
Dividends payable	-	47,908
Prepaid Mortgage interest	(2,638)	26,615
Net Cash Provided by Operating Activities	838,137	768,245
Investing Activities		
Proceeds from mortgage repayment	4,963,847	9,417,584
Mortgage investments	(4,961,571)	(12,180,463)
Net Cash Provided by (Used in) Investing Activities	2,276	(2,762,879)
Financing Activities		
Dividends paid (Note 6)	(443,650)	(391,201)
Issuance of preferred shares	1,575,775	1,802,762
Redemption of preferred shares	(818,390)	(201,639)
Net Cash Provided by Financing Activities	313,735	1,209,922
Increase (decrease) in Cash	1,154,148	(784,712)
Cash, Beginning of Year	189,169	973,881
Cash, End of Year	1,343,317	189,169

See notes to financial statements

1. NATURE OF OPERATIONS

Pioneer West Mortgage Investment Corporation. (the "Company") is a mortgage investment company domiciled in Canada. The Company was incorporated under the now repealed Company Act on November 22, 2002, and completed a Transition Application under the British Columbia Business Corporations Act effective July 19, 2004. The Company's corporate registered office is located at 18 – 3580 Moncton Street Richmond, British Columbia, and its principal place of business is located at 201 – 814 West 15th Street, North Vancouver, British Columbia. The Company's primary mandate is to invest its pooled funds into residential mortgages and to provide its preferred shareholders with an acceptable rate of return on their invested capital by way of dividends from preferred shares.

The Company is a mortgage investment corporation ("MIC") as defined in Section 130.1 (6) of the Canada Income Tax Act ("ITA"). Accordingly, the Company is not taxed on income provided that its taxable income is paid to its preferred shareholders in the form of dividends within 90 days after October 31 each year. Such dividends are generally treated by preferred shareholders as interest income, so that each preferred shareholder is in the same position as if the mortgage investments made by the Company had been made directly by the preferred shareholder.

The Company engaged Pioneer West Acceotance Corporation. (the "Fund Manager") as the fund manager of the Company responsible for the day to day operations providing all general management and administrative services of the Company's mortgage loan portfolio. Pioneer West Acceotance Corporation is a related company controlled by the directors of the Company.

During March 2020, a global health pandemic was declared due to the COVID-19 virus, which has had a significant impact on businesses through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 health pandemic may have on the Company is unknown. The Company's business that could potentially be adversely impacted include, but not limited to, mortgage interest rates, mortgage interest and fees revenue, impairment of mortgages, redemptions of and capital raising. The Company continues to monitor its operations and assess the impact COVID-19 will have on its operating activities. At this time, the extent of the effect of the COVID-19 pandemic on the Company is indeterminable

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Board of Directors on April 18, 2023..

(b) Basis of Measurement

These financial statements are prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

2. BASIS OF PRESENTATION (continued)

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. It also requires management to exercise judgment in applying the Company's accounting policies.

The most significant of these estimates relates to the estimation of impairment of the mortgages receivable based on the future expected losses approach, and the estimation of accrued interest, which are based on management's calculation. These estimates may include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation and regulation, prior encumbrances and other factors affecting the investments and underlying security of the investments. These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Accordingly, by their nature, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

The critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are (i) the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as a going concern, and (ii) the determination that Company is in compliance with the ITA Section 130.1(6) as a mortgage investment corporation, the determination of redeemable preferred shares as liability or equity, the classification of financial instruments, the timing of designating a mortgage investment as impaired and the amount of any provision required.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents.

(b) Mortgage Investments

Mortgage investments are initially recognized at fair value plus any attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. A mortgage investment is considered impaired when there is objective evidence that there has been a deterioration of credit quality subsequent to its initial recognition to the extent that the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest. The Company assesses impairment of mortgage investments at each reporting date using an expected credit loss (ECL) approach. Under this approach the level of credit risk deteriortation is assessed in a three-stage impairment model. The three stages are determined, and expected credit losses are assessed as follow:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Mortgage Investments (continued)

Stage 1 – No significant increase to credit risk since intial recognition. 12-month expected credit losses are recognized.

Stage 2 – Significant increase in credit risk since intitial recognition. Lifetime expected credit losses are recognized.

Stage 3 – Credit impaired. Lifetime expected credit losses are recognized.

The Company is required to make assessment of the future expected losses on mortgages receivable in Stage 1 and Stage 2 using forward-looking information, including macro-economic factors. Mortgages receivable are transferred to Stage 3 when there is objective information that indicates that one or more events ("loss events") have occurred that have a negative effet on the estimated furute cash flows of that mortgage receivable.

The Company makes and estimation for determinging whether the cash flows from mortgages receivable represent solely payments of principal and interest (SPPI). The estimation of future cash flows includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors.

The Company considers a number of past events, current conditions and forward-looking information to assess if there has been significant increase or subsequent decrease in credit risk. To identify whether the credit risk of a mortgage investment has significantly increased since initial recognition, management will consider forwared-looking information, including marco-economic factors as well as information related to the specific borrower, including the outstanding balance upon default, credit worthiness and changes in personal economic situation.

Determining if there was a significant increase or decrease in credit risk requires significant judgement. Management reviews the mortgage receivable and considers the credit risk to have increased when reasonable assurance no longer exists that the sole payments of principal and interest would be recoverable.

Loss provisions are recorded upon initial recognition of the mortgage receivable based upon expectation of future losses at the time. For Stage 1 mortgages, the Company will recognize a loss allowance equal to 12-month expected credit losses, if the credit risk at the reporting date has not increased significantly since intial recognition, representing the expected credit losses from default events that are possible within the next 12 months.

Under IFRS 9, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. However, based on historical experience, mortgages receivalbe that were 30 days past due could be brought up to date with later payments. Therefore, this factor will not be used to indentified mortgages receivable above Stage 1.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Mortgage Investments (continued)

The recognition of credit losses must be made for the remaining lfie of the mortages receivalbe (lifetime expected credit losses) that are considered to have experienced a significant increase in credit risk (Stage 2) and for mortgages receivable that are credit impaired at the reporting ate (Stage 3). The lifetime expected credit losses represent the expected loss in value due to possible default events over the life of the mortgages receivable weighted by the likelihood of a loss. At each reporting date, credit impaired mortgages receivable will be transferred to Stage 3 when there is objective information that the mortgages receivable are credit impaired.

To determine whether a mortgage receivable is credit impaired, an event must be identified that has a detrimental impact on the estimated future cash flows.

The Company considers evidence of impairment for mortgages receivable in Stage 3 at a specific level on a mortgage-by-mortgage basis, and specific impairment provisions are recorded if management determines that the mortgage receivable is impaired. In such cases, a specific provision is established to write-down the mortgage receivable to the estimated future cash flows from the mortgage receivable discounted at the mortgage receivable's original effective interest rate. In cases where it is impractical to estimate the future cash flows, the carrying amount of the mortgage receivable is reduced to its fair value calculated based on an observable market price.

(c) Revenue Recognition

Interest income from mortgage investments is accounted for using the effective interest method. Interest income from financial institutions is accounted for on the accrual basis. Commitment fees received are amortized over the expected term of investment. Discharge fees and interest penalty received on early repayment of mortgages prior to their maturity are recognized as mortgages are discharged. In foreclosure situations, the Company will carefully review the situation with the mortgage receivable and recognize any impairment when it arises.

(d) Income Taxes

The Company is considered a mortgage investment corporation ("MIC") under the *Canada Income Tax Act*. As such, the Company is entitled to deduct from its taxable income distributions paid to shareholders during the year or within 90 days of the end of the fiscal year to the extent the distributions were not deducted previously. The Company intends to maintain its status as a MIC and intends to make sufficient distributions in the year and in future years to ensure that the Company is not subject to income taxes payable. Accordingly, no provision for current or future income taxes is made in these financial statements.

(e) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Redeemable preferred shares are classified as a liability only when they can be redeemed at the option of the holders. Redeemable preferred shares are classified as equity when there are certain conditions to be met before holders can request redemption.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

All financial assets are initially recorded at fair value and classified as measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either at FVTPL or amortized cost. Financial instruments comprise cash, mortgage investments, accounts receivable, accounts payable, distributions payable to preferred shareholders, loans payable, amounts due to related parties and redeemable preferred shares. The Company does not use any derivative or hedging instruments. Transaction costs related to financial instruments other than at FVTPL are capitalized as part of the cost of the financial instrument.

At initial recognition management has classified financial assets and liabilities as follows:

i) Financial assets

Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest method. The Company's cash, amounts receivable and mortgages receivable are measured at amortized cost.

Financial assets at fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and sell financial assets, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company does not have any financial assets classified as FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (continued)

Financial assets at fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL. The Company's does not have any financial assets classified as FVTPL.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Business model assessment

The Company assess the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending riksk and costs. In preforming this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's cliam to cash flows, and any fearture that modify consideration for the time value of money.

ii) Financial liabilities

Financial liabilities at amortized cost

Financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL. The Company's trade and other payables, dividends payable and redeemable preferred shares are measured at amortized cost.

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statement of comprehensive income. The Company does not have any financial liabilities classified as FVTPL.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(h) New accounting pronouncements issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's financial statements.

4. MORTGAGE INVESTMENTS

	No.	%	2022	No.	%	2021
			$			$
First mortgage	40	79	8,307,845	38	73	7,670,119
Second mortgage	19	21	2,232,407	23	26	2,722,409
Third Mortgage	-	-	-	1	1	150,000
			10,540,252			10,542,528
Interest receivable			17,088			-
			10,557,340			10,542,528
Less: impairment provision			(331,000)			(284,000)
			10,226,340			10,258,528

October 31, 2022, the Company had 6 mortgages in foreclosure recorded at a fair value of $895,500 (2021: Six mortgages in foreclosure recorded at a fair value of $892,500) and six additional mortgages in payment arrears recorded at a fair value of $825,125 (2021: four mortgages in payment arrears recorded at a fair value of $664,908). In addition to the foreclosure files, the Company has three mortgages that are non-performing recorded at a fair value of $316,383 (2021: 469,973).

The fair value measurement has been categorized as a level 3 fair value based on inputs to the valuation techniques used. During the year ended October 31, 2022, the Company engaged independent real estate brokers and independent professional appraisers to determine the fair value of the property as of October 31, 2022.

The average mortgage balance is $175,659 (2021 - $170,041).

The weighted average interest rate is 9.98 % (2021 – 9.82%).

The interest rates on all mortgages range from 6.95% - $14.95%.

(Expressed in Canadian Dollars)

4. MORTGAGE INVESTMENTS (continued)

The average length of each mortgage is 12 months (2021 - 12 months).

The majority of the mortgages are residential mortgages registered against properties in the major urban centers of British Columbia: 52 mortgages – 88% (2021 – 56 mortgages – 90%) and Alberta: 7 mortgages – 12% (2021 – 6 mortgages – 10%).

The following table provides the segregated mortgages receivable by Stage 1, Stage 2, and Stage 3.

	Stage 1 Performing	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
	$	**$**	**$**	**$**
2022	8,515,147	825,125	1,365,473	10,540,252
2021	8,515,147	664,908	1,362,473	10,542,528

The total mortgages originated during the year was $4,960,837 (2021: $9,417,584).

The provision for impairment as at October 31, 2022 was determined as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Balance, October 31, 2021	103,000	-	181,000	284,000
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Derecognition	(103,000)		(181,000)	(284,000)
Loan origination	146,000		185,000	331,000
Balance, October 31, 2022	146,000	-	185,000	331,000

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

4. MORTGAGE INVESTMENTS (continued)

For mortgages receivable, the Company records a loss allowance equal to the expected credit losses resulting from default events that are possible within the next 12-month period, unless there has been a significant increase in credit risk since initial recognition. For those financial assets for which the Company assessed that a significant increase in credit risk has occurred, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts or requests to restructure loan payment schedules. For financial assets assessed as credit impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Loss allowances for expected credit losses are presented in the statement of financial position as follows:

- Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Refer to Note 8 for additional information about the Company's risk management process

5. RELATED PARTY TRANSACTIONS AND BALANCES

The below related party transactions and balances noted below took place in the normal course of operations and were measured at the exchange amounts which were the amounts of consideration established and agreed to by the related parties.

a) Fund Manager Fees

Pursuant to a management services agreement dated June 1, 2005 (the "Management Agreement"), Pioneer West Acceptance Corporation (the "Manager") provides management and administration services to the Company on a day-to-day basis, including the provision of a business office and on-going advice, and, as may be required from tie to time, providing the Company with real estate, mortgage and financing services. The Manager proposes investment opportunities to the Company for approval which it considers suitable and consistent with the Company's investment criteria. In consideration of the services provided, the Manager is to be paid an annual management and advisory fee equivalent in amount to 2.0% of the value of the average principal amount of the mortgage portfolio. Management fees calculated will be accumulative and any unpaid management fees calculated for the period is to be carried forward to the periods following.

The Fund Manager is a related company controlled by director of the Company (see Note 1).

For the year ended October 31, 2022, the Company incurred $235,516 (2021 - $190,943) for management fees to the Manager.

b) Key Management Personnel

There were no key management personnel payments for the year ended October 31, 2022 and 2021.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

(a) Authorized

1,000,000 voting common shares with a par value of $1.00 per share;
100,000,000 redeemable non-voting preferred shares, par and redemption value at $1.00 per share

(b) Common Shares Issued

100 common shares were issued and outstanding at $1 per share.

(c) Redeemable Preferred Shares Issued

	Numbers Issued	Amount
		$
Balance, October 31, 2020	9,242,509	9,242,509
Issued for cash	1,426,786	1,426,786
Reinvested dividends	187,908	187,908
Redeemed	(631,936)	(631,936)
Balance, October 31, 2021	10,225,267	10,225,267
Issued for cash	1,575,775	1,575,775
Reinvested dividends	276,484	276,484
Redeemed	(818,390)	(818,390)
Balance, October 31, 2022	11,259,136	11,259,136

The holder of the preferred shares may give written notice to the Company requesting that the Company redeem the whole or any part of the shares held by such holder. The Company will redeem the preferred shares within 3 months. During the notice period, the preferred shares being redeemed will not be eligible for any dividend and the redemption price will be the book value of the preferred shares.

The Company will not redeem preferred shares for which the redemption notice is given if:

(i) Redemption would result in the Company having redeemed a number of preferred shares during the period of time since the start of the most recent fiscal year which is greater than 25% of the preferred shares issued and outstanding (as at the beginning of the fiscal year during which the last of such redemption notices are given).

(ii) Redemption would result in the Company having redeemed a number of preferred shares on the corresponding date of redemption which is greater than 5% of the preferred shares issued and outstanding (as at the beginning of the fiscal year during which such redemption notices are given).

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

The Directors may, in their sole discretion, waive either or both limitations for any date of redemption, and failing such waiver, preferred shares which are subject to redemption notices given in any one calendar month will be redeemed on a basis which is pro rata to the number of preferred shares subject to such redemption notices.

The Company is not required to redeem preferred shares if to do so would cause the Company to cease qualifying as a MIC, or jeopardize the ability of the Company to maintain reasonable profitability in its portfolio of mortgages.

(d) Distributions to preferred shareholders

The Company follows a dividend policy in accordance with the provisions of the Income Tax Act related to mortgage investment corporations. Dividends are paid on an annual basis after year-end.

Investors may elect to receive their dividends in cash or in further preferred shares. Dividend preferred shares will be issued at $1.00 per preferred share.

Dividends previously declared on the preferred shares of the Company were distributed as follows:

	2022	2021
	$	$
Dividends payable, beginning of year	181,682	133,774
Dividends paid in cash	(443,650)	(343,293)
Dividends paid in shares	(276,484)	(201,741)
Dividends declared during the year	742,874	592,942
Dividends payable, end of year	204,422	181,682

7. CAPITAL MANAGEMENT

The Company manages its capital structure in order to support ongoing operations while focusing on its primary objectives of preserving shareholder capital and generating a stable monthly cash dividend to holders of redeemable shares. The Company defines its capital structure as the common and preferred shares of the Company.

The Company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage and loan investment opportunities, the availability of capital and anticipated changes in general economic conditions. During the year, the Company's strategy, which was unchanged from the prior year, was to advance an adequate number of mortgages at an acceptable risk level to provide the maximum return to shareholders.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash, amounts receivable, mortgages receivable, accounts payable, dividends payable and redeemable preferred shares. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	2022	2021
	$	$
Assets as FVTPL (i)	-	-
Assets as amortized costs (ii)	11,571,857	10,455,962
Liabilities as amortized costs (iii)	11,542,299	10,452,020

(i) None
(ii) Cash, amounts receivable and mortgages receivable
(iii) Trade and other payables, dividends payable and redeemable preferred shares

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market date

As at October 31, 2022 and 2021, the Company has $Nil financial assets measured at fair value through profit or loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the mortgage investments will fluctuate because of changes in market interest rates. As of October 31, 2022, no mortgages receivable and preferred shares bear interest at variable rates, therefore the Company is not exposed to cash flow risk from mortgage investments and preferred shares as a result of interest rate fluctuations. Further, the Company does not have material fair value risk on its mortgage investment portfolio primarily as a result of the less than one-year short term nature of the maturity dates of the mortgage investments.

The Company does not have material interest rate risk on any of its other financial instruments.

8. FINANCIAL INSTRUMENTS (continued)

Credit Risk

The following assets are exposed to credit risk: cash and mortgages receivable. Credit risk primarily relates to the possibility that counterparties to mortgages receivable may be unable to honour their debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. The credit risk for cash is insignificant as the Company maintains its cash balance with major banks.

Management does not believe that there is significant credit risk arising from any of the Company's mortgages receivable portfolio as the Company has a broad base of mortgage investments.

The Company mitigates this risk by ensuring that the collateral value of the security fully protects first, second and subsequent mortgage advances and that there is a viable exit strategy for each loan. A provision for mortgage impairments is established based upon factors surrounding the delinquency of specific accounts, historical trends and other information. In the event of default by the borrower, the Company would have a claim against the underlying property.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's financial assets include a portfolio of mortgages, which are generally illiquid. As a result, the Company may not be able to liquidate some of its investments in these assets in due time in order to meet its liquidity requirements.

The Company manages liquidity risk by investing in mortgages receivable with relatively short maturities and declaring dividends based on cash availability. The Company's redemption policy only allows for redemptions on giving three (3) months written notice after certain conditions are met.

The Company has pro-actively worked with its borrowers, vendors and creditors to manage any disruption to its regular balance of working capital and anticipates that its cash reserves and short term nature of mortgage investments will adequately minimize liquidity risk.

As at October 31, 2022, management considers that the Company does not have significant exposure to liquidity risk.

Currency Risk

The Company invests in mortgages, generates revenues and incurs expenses and expenditures primarily in British Columbia, Canada and is not exposed to risk from changes in foreign currency exchange rates.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being investment in mortgages. The Company operates in two geographical areas which are British Columbia and Alberta.

Item 11 - Certificate and Date

Dated March 25, 2022

This Offering Memorandum does not contain a misrepresentation.

On behalf of the Board:

"   "
Director and President

"   "
Director and Secretary

On behalf of Pioneer West Acceptance Corp. (the Promoter):

"   "
Director and President

"   "
Director and Secretary

***Note: [30 Apr 2016] -** The following is a consolidation of Form 45-106F4. It incorporates the amendments to this document that came into effect on April 30, 2016. This consolidation is provided for your convenience and should not be relied on as authoritative.*

FORM 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing $ ___________ [total consideration] in total; this includes any amount I am obliged to pay in future. __________________ [name of issuer] will pay $ ____________ [amount of fee or commission] of this to ________________ [name of person selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

______________________________ Date

___________________________________ Signature of Purchaser

___________________________________ Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase *[Instruction: The issuer must complete this section before giving the form to the purchaser.]*

To do so, send a notice to Pioneer West Mortgage Investment Corporation stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Pioneer West Mortgage Investment Corporation at its business address. Keep a copy of the notice for your records.

Pioneer West Mortgage Investment Corporation
Suite 201 - 814 West 15th Street North Vancouver BC
V7P 1M6: Fax:604-987-1460
E-mail: info@pioneerwest.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed *[Instruction: Delete if securities are listed or quoted]*
The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer *[Instruction: Delete if issuer is reporting]*
A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator. *[Instruction: Insert the name, telephone number and website address of the securities regulatory authority or regulator in the jurisdiction in which you are selling these securities.]*

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]