

**FORM 45-106 F2**  
**Offering Memorandum for Non-Qualifying Issuers**



**PARAMETRIC PROPERTIES INC.**

**Date:** February 24, 2023

**The Issuer**

**Name:** Parametric Properties Inc. (the "**Company**")  
**Head office:** 301 – 3450 Uptown Boulevard, Victoria, British Columbia, V8Z 0B9  
**Phone #:** 250-419-7637  
**E-mail address:** info@parametricpro.com  
**Currently listed or quoted?** No. **These securities do not trade on any exchange or market.**  
**Reporting issuer?** No.  
**SEDAR filer?** Yes, but only as may be required pursuant to section 2.9 and 6.1 of National Instrument 45-106 *Prospectus Exemptions*. The Company is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.

**The Offering**

**Securities offered:** Class G Non-Voting Preferred Shares, without par value, issuable in series (each, a "**Class G Share**"), and Class H Non-Voting Preferred Shares, without par value, issuable in series (each, a "**Class H Share**"), and together with the Class G Shares, individually and collectively, as the context requires, a "**Preferred Share**". Each Preferred Share shall have the attributes and characteristics as set under Item 5.1 - "Terms of Securities".  
**Price per security:** \$10.00 per Preferred Share  
**Minimum/Maximum offering:** **There is no minimum or maximum to this Offering (as defined herein). You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**  
**Minimum Subscription:** Subscribers must make a minimum investment of 5,000 Class G Shares (\$50,000), subject to the discretion of the Company, or Subscribers must make a minimum investment of 35,000 Class H Shares (\$350,000), subject to the discretion of the Company.  
**Payment terms:** Payment in full by a certified cheque, bank draft or wire transfer due on closing. See Item 5.2 - "Subscription Procedure".  
**Proposed closing date(s):** Continuous offering. Closings may occur from time to time as subscriptions are received. The Company may terminate the Offering at any time.  
**Income tax consequences:** There are important tax consequences to these securities. See "Summary of Income Tax Consequences and RRSP Eligibility."  
**Selling Agent?** No. The Company may pay a sales fee to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in an amount not to exceed 8% of the subscription monies obtained by such persons determined by the Company in its discretion, acting reasonably, payable at the time of the initial investment, provided that payments in excess of 5% of the subscription monies obtained shall require approval by the board of directors of the Company (the "**Board**"). See Item 7 - "Compensation Paid to Sellers and Finders".

**Resale restrictions:** You will be restricted from selling your securities for an indefinite period. See Item 10 - "Resale Restrictions". However, holders of Preferred Shares may require the Company to redeem such holder's Preferred Shares subject to certain conditions. The Company may also redeem Preferred Shares from time to time as the directors may determine. See Item 5.1 - "Terms of Securities".

**Purchaser's rights:** You have 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 the agreement. See Item 11 - "Purchasers' Rights".

**No securities regulatory authority or regulator 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 - "Risk Factors".**

This Offering is being made pursuant to exemptions from the prospectus and, where permitted, registration requirements of applicable securities legislation in Canada. Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under Item 5.2 - "Subscription Procedure" and to the right of the Company to close the subscription books at any time without notice. Closings will be held from time to time as determined by the Company. See Item 5.2 - "Subscription Procedure".

No action has been or will be taken to permit a public offering of the Preferred Shares in any jurisdiction where action would be required to be taken for such purpose. Accordingly, the distribution or circulation of this Offering Memorandum and the offering and sale of the Preferred Shares may be restricted by law in certain jurisdictions. This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Memorandum may come are directed to inform themselves of and observe such restrictions and all legal requirements of their respective jurisdictions of residence in respect of the acquisition, holding and disposition of the Preferred Shares.

**Prospective Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their own legal, investment, accounting, and tax advisors concerning this investment.**

The Preferred Shares will be issued only on the basis of information contained in this Offering Memorandum and the Subscription Agreement (as defined herein) as provided by the Company, and no other information or representations have been authorized nor may be relied upon as having been authorized by the Company, and no person has been authorized by the Company to provide prospective investors with information other than as contained in this Offering Memorandum. Any subscription for the Preferred Shares made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of such person. Neither the delivery of this Offering Memorandum at any time nor any sale of any of the Preferred Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

**This is primarily a blind pool Offering. The Company expects that the available net proceeds of the Offering will primarily be applied by the Company to purchase, develop, rezone, improve, operate and/or renovate certain properties with a view to selling such properties. Except as otherwise described herein, the specific properties in which the Company may invest have not yet been determined. Further, a portion of the proceeds received by the Company may also be used to pay: (a) down mortgage financing on a specific property or group of properties; (b) capital expenditures on a specific property or group of properties; (c) due diligence and documentation costs relating to property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to acquisitions; (d) expenses related to creating and managing businesses that compliment a specific property or properties for short term operation by the Company in the expectation of increasing the resale value of such property or group of properties; (e) renovation, project management and construction management costs; (f) property management and maintenance costs; and (g) in the event the Company is required to redeem Preferred Shares, to satisfy redemptions.**

#### **Industry and Market Data**

Unless otherwise indicated, the Company obtained the industry and market data used throughout this Offering Memorandum from surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While the Company believes this data to be reliable, market and industry data are subject to variation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified such data, does not make any representations as to the accuracy of such information, and is not responsible for the accuracy of any of the data from third party sources referred to in this Offering Memorandum.

## Forward-Looking Statements

This Offering Memorandum, and any OM marketing materials (as defined herein) incorporated by reference, may contain forward-looking statements. These statements relate to future events or the Company's views or predictions of possible future performance, operations, and its strategy. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology, including by way of example and without limiting the generality of the foregoing, statements with respect to: the size of the Offering, the use of proceeds of the Offering; the business to be conducted by the Company; properties targeted for acquisition; expected or anticipated acquisitions; the ability of the Company to sell properties on terms and within timelines expected by management; the issuance of Preferred Shares pursuant to the Dividend Distribution Policy (as defined herein); the expected return on investment for Subscribers; the expected debt levels of the Company, including assumptions related to debt, interest rates and repayment terms associated with mortgages for the properties; expected average monthly rents; anticipated renovation costs and resale values of the properties; the long term and short term objectives of the Company; the ability of the Company to obtain financing, including the availability of debt financing; the availability of funds for distributions; the timing and payment of distributions; the Company's investment objectives and strategy; treatment under government regulatory regimes and tax laws; and the methods of funding. These statements are based on reasonable assumptions made by the Company about the success of the Company's investment strategies in certain market conditions, relying on the experience of the Company's officers and employees and their knowledge of historical economic and market trends. These statements are only predictions. Even though the Company believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. In addition, this Offering Memorandum, and any OM marketing materials incorporated by reference, may contain forward-looking statements attributed to third party industry sources.

Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward-looking statements include, but are not limited to, general economic, political, market and business factors and conditions; the ability of the Company to raise capital; the ability of the Company to successfully acquire and sell properties; interest rate fluctuations; inflation; statutory and regulatory developments; ability to obtain financing; increased competition; loss of key employees; additional funding requirements; catastrophic events; climate change and severe weather conditions; and other factors, including acts of war, geopolitical risk, terrorism, natural disasters or pandemics or epidemics, such as COVID-19, and the severity and duration thereof. The foregoing factors are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under Item 8 - "Risk Factors".

The forward-looking statements contained in this Offering Memorandum, and any OM marketing materials incorporated by reference, are expressly qualified by this cautionary statement. The forward-looking statements are made as of the date of this Offering Memorandum. Except as otherwise required by applicable law, the Company does not intend to, and assumes no obligation to, update or revise these or other forward-looking statements it may provide, whether as a result of new information, plans or events or otherwise.

## Currency

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

## Documents Incorporated by Reference

Any marketing materials (the "**OM marketing materials**") related to this Offering and which are delivered or made reasonably available to a prospective purchaser before the closing of that purchaser's subscription for Preferred Shares are deemed to be incorporated by reference in this Offering Memorandum.

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## SUMMARY

*The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum. Capitalized terms used in this Summary and not defined herein have the meaning given to them in the Glossary.*

<b>Business of the Company:</b>	<p>The Company was incorporated under the laws of the Province of British Columbia to, among other things:</p> <ul style="list-style-type: none"><li>(a) directly acquire, own, hold, manage, lease, operate, renovate, develop, build, rezone, and sell commercial and residential real estate properties; and</li><li>(b) conduct any other business or activity incidental, ancillary or related thereto.</li></ul>
<b>Offering:</b>	<p>There is no minimum or maximum to this Offering. You may be the only purchaser. This Offering is being made pursuant to exemptions from the prospectus and, where applicable, registration requirements of applicable securities legislation in Canada. The Company may terminate the Offering at any time. See Item 5.2 - "Subscription Procedure".</p>
<b>Subscription Procedure:</b>	<p>Subscribers may subscribe for Preferred Shares by returning to the Company, or such other person as the Company may direct, as applicable, a completed Subscription Agreement, together with payment by way of certified cheque, bank draft or wire transfer in the amount of the aggregate Subscription Price for the Subscriber's Preferred Shares payable to the Company. A Subscriber whose subscription is accepted by the Company will become a Shareholder. See Item 5.2 - "Subscription Procedure".</p>
<b>Subscription Price:</b>	<p>\$10.00 per Preferred Share</p>
<b>Minimum Subscription:</b>	<p>Subscribers must make a minimum investment of 5,000 Class G Shares (\$50,000), subject to the discretion of the Company, or Subscribers must make a minimum investment of 35,000 Class H Shares (\$350,000), subject to the discretion of the Company. See Item 5.2 - "Subscription Procedure".</p>
<b>Selling Agent:</b>	<p>No. The Company may pay a sales fee to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in an amount not to exceed 8% of the subscription monies obtained by such persons determined by the Company in its discretion, acting reasonably, payable at the time of the initial investment, provided that payments in excess of 5% of the subscription monies obtained shall require Board approval. See Item 7 - "Compensation Paid to Sellers and Finders".</p>

<b>Use of Proceeds:</b>	<p>The Company will use the proceeds primarily to purchase, develop, rezone, improve, operate and/or renovate certain properties with a view to selling such properties. A portion of the proceeds may also be used to pay: (a) down mortgage financing on a specific property or group of properties; (b) capital expenditures on a specific property or group of properties; (c) due diligence and documentation costs relating to property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to acquisitions; (d) expenses related to creating and managing businesses that compliment a specific property or properties for short term operation by the Company in the expectation of increasing the resale value of such property or group of properties; (e) renovation, project management and construction management costs; (f) property management and maintenance costs; and (g) in the event the Company is required to redeem Preferred Shares, to satisfy redemptions. Except as otherwise disclosed herein, the specific additional properties in which the Company may invest have not yet been determined.</p>
<b>Distributions by the Company:</b>	<p>In accordance with the Company's Dividend Distribution Policy, the Company intends to declare an annual dividend for each Financial Year with respect to the Preferred Shares in cash or in additional shares, such that after the payment of such dividend, the Net Asset Value Per Preferred Share will be equal to the subscription price paid for such shares. Such dividends will not be cumulative or accruing. See Item 5.1 - "Terms of Securities".</p>
<b>Redemption by Holder:</b>	<p>Preferred Shares will be redeemable by the Company at the request of the holders thereof, subject to applicable laws and certain other conditions in the Company's Articles. See Item 5.1 - "Terms of Securities – Redemptions".</p>
<b>Redemption by the Company:</b>	<p>Preferred Shares will be redeemable by the Company at the request of the Company, subject to applicable laws and certain other conditions in the Company's Articles. See Item 5.1 - "Terms of Securities – Redemptions".</p>
<b>Closing:</b>	<p>This is a continuous offering. Closings will occur from time to time at such times as the Company may determine.</p>
<b>Management Contractor Agreement:</b>	<p>Parametric Homes has agreed to provide certain management services to the Company. See Item 2.7 - "Material Agreements – Management Contractor Agreement".</p>
<b>Licensing Agreement:</b>	<p>Pursuant to the Licensing Agreement, the Licensors have agreed to grant to the Company a non-exclusive, non-transferable, perpetual license to the Software to be used for the purpose of generating reports regarding the Greater Victoria Area real estate market. The Software was designed to analyze sales data and complete a statistical analysis using key property metrics, including square footage, number of bedrooms, and a series of other proprietary variables and methods to determine the property's anticipated resale value after completion of renovations, if required. Using statistical models, management culls out the majority of the market and instead look at statistical outliers. The Company has the option to expand the use of the Software to three additional cities subject to certain conditions. See Item 2.7 - "Material Agreements – Licensing Agreement".</p>

<b>Argent Loan Agreement:</b>	Pursuant to the Argent Loan Agreement, Argent agreed to loan to the Company \$1,800,000, of which \$1,476,850.74 has been advanced to the Company, for the purposes of future acquisitions, joint ventures, unit upgrades and general business operations approved by Argent. The Argent Loan bears interest at the rate of Royal Bank Prime plus 2%, with interest compounded monthly. The principal amount is due and payable on April 1, 2023, subject to extension to an outside date of August 1, 2023. See Item 2.7 - "Material Agreements – Argent Loan Agreement".
<b>Offer of Credit:</b>	Pursuant to the Offer of Credit, the Credit Union has agreed to loan to the Company \$1,425,000 to partially repay the Argent Loan. The Credit Union Loan will bear interest at the Credit Union's prime rate plus 1%, with interest compounded monthly. The funding of the Credit Union Loan to the Company is subject to the Company entering into applicable security documents and completion of certain conditions precedent. The Credit Union Loan is due and payable 12 months from the date of funding. See Item 2.7 - "Material Agreements – Offer of Credit".
<b>Eligibility for Investment:</b>	The Company intends that at least 90% of its assets will be used in an active business carried on principally in Canada. While actively promoting the sale of real estate, the Company may earn some rental income but any such rental income would be incidental to the sale of real estate. All real estate held by the Company will be classified as inventory even while such real estate is being rented pending sale. All income from sales of real estate will be business income rather than capital gains. Provided the Company meets the foregoing qualification, the Preferred Shares will be a qualified investment for Deferred Plans. See Item 6 – "Summary of Income Tax Consequences and RRSP Eligibility".
<b>Transferability:</b>	Preferred Shares will be transferable subject to compliance with the Articles and applicable securities laws. Securities laws requirements may prohibit or restrict the transferability of the Preferred Shares. See Item 10 - "Resale Restrictions".
<b>Risk Factors:</b>	<p>An investment in the Preferred Shares is subject to a number of risks, including, without limitation, that there is no market for the Preferred Shares and a market for the Preferred Shares is not expected to develop; that an investment in the Preferred Shares is an investment in the properties acquired by the Company and as such, have attached to them the risks associated with investing in real estate generally, such as interest rate risk, tenant occupancy levels, environmental risks, competition for real estate properties, changes in economic conditions, inability to sell properties on expected terms; risks associated with redemptions of the Preferred Shares; the possibility of conflicts of interest; risks associated with changes in income tax regulation; risks related to cybersecurity; and other factors including acts of war, geopolitical risk, terrorism, natural disasters, severe weather conditions or pandemics or epidemics, including the novel coronavirus otherwise known as COVID-19. See Item 8 - "Risk Factors".</p> <p>This Offering is not suitable for Subscribers who cannot afford to assume any significant risks in connection with their investments including the total loss of their investment in the Preferred Shares.</p>

## GLOSSARY

*The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.*

**“Amending Agreement”** means the amending agreement to the Argent Loan Agreement dated January 24, 2023 among Argent, the Company (as borrower) and Robert Nicholas Green, Will Anderson, Daniel Heeb, Randy Molland and Steven Arneson (as guarantors);

**“Argent”** means Argent Financial Corp.;

**“Argent Loan”** has the meaning given to it under Item 2.7 - “Material Agreements – Argent Loan Agreement”;

**“Argent Loan Agreement”** means the loan agreement dated January 12, 2022, as amended pursuant to the Amending Agreement, among Argent (as lender), the Company (as borrower) and Robert Nicholas Green, Will Anderson, Daniel Heeb, Randy Molland and Steven Arneson (as guarantors);

**“Articles”** means the articles of the Company as may be adopted or amended from time to time;

**“Class Allocation”** has the meaning given to it under Item 5.1 – “Terms of Securities – Dividends”;

**“Class G Shares”** means the Class G Non-Voting Preferred Shares of the Company and any series created therein;

**“Class H Shares”** means the Class H Non-Voting Preferred Shares of the Company and any series created therein;

**“Class I Shares”** means the Class I Non-Voting Preferred Shares of the Company and any series created therein;

**“Company”** means Parametric Properties Inc.;

**“CRA”** means the Canada Revenue Agency;

**“Credit Union”** means Island Savings, a division of First West Credit Union;

**“Credit Union Loan”** has the meaning given to it under Item 2.7 - “Material Agreements – Offer of Credit”;

**“Deferred Plan”** means a trust governed by a “registered retirement savings plan”, “registered retirement income fund”, or “tax-free savings account”, as those terms are defined in the Tax Act;

**“Dividend Distribution Policy”** means the dividend distribution policy of the Company, as described under Item 5.1 - “Terms of Securities”, as may be amended, updated or supplemented from time to time;

**“Fair Market Value”** means an amount equal to the fair market value of a property, which shall be determined assuming a fully informed willing buyer and a willing seller dealing at arms’-length with one another and a free and open market for such property, unless the directors, upon review of independent evidence such as third party appraisals, property tax assessment information or other third party market information, reasonably determines that any property has a fair market value other than as described above, in which case the value of such interest in the property will be deemed to be the value as recommended by the directors, acting reasonably;

**“Financial Year”** means the financial year of the Company;

**“Full Cycle”** has the meaning given to it under Item 2.2 - “The Company’s Business – The Company’s Investment Philosophy and Strategy”;

**“FY NAV Increase”** has the meaning given to it under Item 5.1 – “Terms of Securities – Dividends”;

**“Greater Victoria Area”** has the meaning given to it under Item 2.7 - “Material Agreements – Licensing Agreement”;

**“Licensing Agreement”** means the licensing agreement between the Licensors and the Company dated September 1, 2022, as described under Item 2.7 - “Material Agreements – Licensing Agreement”, as such agreement may be amended, restated or supplemented from time to time



**“Licensors”** has the meaning given to it under Item 2.7 “Material Agreements – Licensing Agreement”;

**“Management Contractor Agreement”** means the agreement between the Company and Parametric Homes dated September 1, 2022, as described under Item 2.7 - “Material Agreements – Management Contractor Agreement”, as such agreement may be amended, restated and or supplemented from time to time;

**“Mortgaged Properties”** has the meaning given to it under Item 2.7 - “Material Agreements – Argent Loan Agreement”;

**“Net Asset Value of the Company”** means, on a Valuation Date, the value, determined in accordance with the valuation rules set forth in the Articles, of all of the assets held by the Company as of the Valuation Date less the aggregate liabilities of the Company accrued as of the Valuation Date and an estimate of all unrealized tax liabilities and transaction costs, including commissions, fees, penalties and other related expenses, arising from the ownership of real properties assuming that they are disposed of at the value determined in accordance with the rules applicable thereto as set forth in the Company’s Articles;

**“Net Asset Value Per Preferred Shares”** means, on a Valuation Date, the quotient obtained by dividing the amount equal to the Net Asset Value of the Company on such Valuation Date by the total number of Preferred Shares, including fractions of Preferred Shares, then outstanding;

**“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions*;

**“Notice of Redemption”** has the meaning given to it under Item 5.1 – “Terms of Securities – Redemptions”;

**“Offer of Credit”** means the offer of credit letter dated February 16, 2023 among the Credit Union (as lender), the Company (as borrower) and Steven Arneson, Robert Nicholas Green, Randy Molland and Daniel Heeb (as indemnitors);

**“Offering”** means the offering of Preferred Shares under this Offering Memorandum;

**“Offering Memorandum Exemption”** has the meaning given to it under Item 5.2 - “Subscription Procedure”;

**“OM marketing materials”** has the meaning given to such term under “Documents Incorporated by Reference”;

**“Parametric Homes”** means Parametric Homes Consulting Ltd.;

**“Preferred Dividend”** has the meaning given to it under Item 5.1 – “Terms of Securities – Dividends”;

**“Preferred Shares”** means the Class G Shares and Class H Shares;

**“properties”** as the context requires, means the various interests in commercial and residential real estate properties, including existing properties owned by the Company to be renovated, leased and re-sold as determined by the Company, situate in the Greater Victoria Area and acquired, owned and operated from time to time by the Company, and **“property”** means any one of them;

**“Redemption Amount Per Preferred Share”** means, on the most recent Valuation Date, the quotient obtained by dividing the amount equal to the Net Asset Value of the Company on such Valuation Date by the total number of preferred shares of the Company (which shall include Class G Shares, Class H Shares and Class I Shares), including fractions of preferred shares, then outstanding, and multiplying such quotient by:

- (a) 95%, if the Notice of Redemption is received by the Company within one year after the Subscription Date for the Preferred Shares set out in the Notice of Redemption;
- (b) 97%, if the Notice of Redemption is received by the Company at any time after the first anniversary of Subscription Date for the Preferred Shares set out in the Notice of Redemption and up to and including the second anniversary of the Subscription Date thereof;
- (c) 99%, if the Notice of Redemption is received by the Company at any time after the second anniversary of Subscription Date for the Preferred Shares set out in the Notice of Redemption and up to and including the third anniversary of the Subscription Date thereof; and

- (d) 100%, if the Notice of Redemption is received by the Company at any time after the third anniversary of the Subscription Date for the Preferred Shares set out in the Notice of Redemption;

Notwithstanding subparagraphs (a), (b) and (c) above, the directors may in their sole discretion determine that the Redemption Amount Per Preferred Share is determined by multiplying the quotient by 100%, as set out in subparagraph (d);

**“Registered Plans”** has the meaning given to it under Item 6 - “Summary of Income Tax Consequences and RRSP Eligibility”;

**“Regulations”** has the meaning given to it under Item 6 - “Summary of Income Tax Consequences and RRSP Eligibility”;

**“SEDAR”** means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval;

**“Series Allocation”** has the meaning given to it under Item 5.1 – “Terms of Securities – Dividends”;

**“Shareholders”** means, at any particular time, persons entered in the central securities register of the Company as holders of Shares and the singular form means one such registered holder;

**“Shares”** means any of the issued and outstanding shares of the Company from time to time;

**“Software”** has the meaning given to it under Item 2.7 - “Material Agreements – Licensing Agreement”;

**“Subscriber”** means a subscriber for Preferred Shares;

**“Subscription Agreement”** means the subscription agreement executed by a Subscriber to subscribe for Preferred Shares;

**“Subscription Date”** means the date the holder subscribed for the preferred shares, and such subscription was accepted by the Company;

**“Subscription Price”** means \$10.00 per Preferred Share;

**“Tax Act”** means the *Income Tax Act*, RSC 1985, c 1 (5th Supp.), as amended from time to time; and

**“Valuation Date”** means the last day of each Financial Year, or such other day as the Board in its discretion may determine from time to time to calculate the Net Asset Value of the Company.

## Item 1 - USE OF AVAILABLE FUNDS

### 1.1 Funds

Available Funds of the Company		
Sources of Funds	Assuming Minimum Offering <sup>(1)</sup>	Assuming Maximum Offering <sup>(1)</sup>
A. Amount to be Raised by this Offering	N/A	N/A
B. Selling Commissions and Fees <sup>(2)</sup>	N/A	N/A
C. Costs of the Offering (e.g., legal, accounting, audit) <sup>(3)</sup>	N/A	N/A
D. <b>Available Funds: D = A – (B + C)</b>	N/A	N/A
E. Additional Sources of Funding Required <sup>(4)</sup>	N/A	N/A
F. Working Capital Deficiency	N/A	N/A
G. <b>Total: G = D + E - F</b>	N/A	N/A

**Notes:**

- <sup>(1)</sup> There is no minimum or maximum offering.
- <sup>(2)</sup> The Company may pay a sales fee to registered securities dealers and exempt market dealers, or where permitted, non-registrants, in an amount not to exceed 8% of the subscription monies obtained by such persons determined by the Company in its discretion, acting reasonably, payable at the time of the initial investment, provided that any payments in excess of 5% of the subscription monies obtained shall require Board approval.
- <sup>(3)</sup> The estimated costs of the Offering are \$100,000 and include expenses of or incidental to the issue, sale and delivery of the Preferred Shares pursuant to this Offering Memorandum, including, without limitation, fees and disbursements of legal counsel and accountants, in connection with such issue, sale and delivery.
- <sup>(4)</sup> The Company expects to finance the acquisition of properties, if any, through mortgage funding or capital offerings. There is no guarantee that it will be able to acquire any such mortgage funding under reasonable terms.

### 1.2 Use of Available Funds

The Company intends to use the subscription proceeds primarily to purchase, develop, rezone, improve, operate and/or renovate residential and commercial properties with a view to selling such properties.

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Minimum Offering <sup>(1)</sup>	Assuming Maximum Offering <sup>(1)</sup>
Acquisition of Apartment Properties	N/A	N/A
Apartment Development Costs	N/A	N/A
Acquisition Renovation Budget	N/A	N/A
Administration Costs (including estimated costs of the Offering) <sup>(2)(3)</sup>	N/A	N/A
<b>Total</b>	N/A	N/A

**Notes:**

- <sup>(1)</sup> There is no minimum or maximum to this Offering.
- <sup>(2)</sup> A portion of the proceeds received by the Company from the Offering may be used to pay Parametric Homes, a company owned and controlled by Robert Nicholas Green (Director and Chief Executive Officer of the Company), the fees payable under the Management Contractor Agreement. See Item 2.7 - "Material Agreements – Management Contractor Agreement".
- <sup>(3)</sup> A portion of the proceeds received by the Company from the Offering may be used to pay fees to Robert Nicholas Green (Director and Chief Executive Officer of the Company) and Daniel Heeb (Chief Information Officer of the Company) under the Licensing Agreement. See Item 2.7 - "Material Agreements – Licensing Agreement".

The Company will use the proceeds from the Offering primarily to purchase, develop, rezone, improve operate and/or renovate certain properties with a view to selling such properties. A portion of the proceeds may also be used to pay: (a) down mortgage financing on a specific property or group of properties; (b) capital expenditures on a specific property or group of properties; (c) due diligence and documentation costs relating to property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to acquisitions; (d) expenses related to creating and managing businesses that compliment a specific property or properties for short term operation by the Company in the expectation of increasing the resale value of such property or group of properties; (e) renovation, project management and construction management costs; (f) property management and maintenance costs; and (g) in the event the Company is required to redeem Preferred Shares, to satisfy redemptions. Except as otherwise disclosed herein, the specific additional properties in which the Company may invest have not yet been determined.

A portion of the proceeds received by the Company from the Offering may be used to pay Parametric Homes, a company owned and controlled by Robert Nicholas Green (Director and Chief Executive Officer of the Company), the fees payable under the Management Contractor Agreement. See Item 2.7 - "Material Agreements – Management Contractor Agreement".

### **1.3 Reallocation**

The Company intends to spend the available funds as stated. The Company will reallocate funds only for sound business reasons.

## **Item 2 - BUSINESS OF THE COMPANY**

### **2.1 Structure**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on November 23, 2020, with a registered and records office located at 202 – 3750 Shelbourne Street, Victoria, British Columbia, V8P 4H4. The Company's head office is located at 301 – 3450 Uptown Boulevard, Victoria, British Columbia, V8Z 0B9.

### **2.2 The Company's Business**

The Company's business is assessing and acquiring, developing, rezoning and/or renovating undervalued properties, strategic short to midterm tenancies, and eventual resale.

#### ***The Company's Investment Philosophy and Strategy***

The Company intends to use a concept similar to portfolio theory, whereby approximately 60% of working capital is allocated to the Company's residential property acquisition strategy and 40% of working capital is allocated to development opportunities in an effort to optimize yield relative to risk. The ratio may change depending on market cycles and availability of product subject to management discretion.

#### ***Residential Property Strategy***

In furtherance of its residential property acquisition strategy, the Company aims to create value by:

- (i) purchasing undervalued, undermanaged or underutilized properties, primarily condominiums and apartments, from third-party vendors;
- (ii) performing strategic renovations and other capital improvements to the properties, if required, to improve marketability, rental income and sales price; and
- (iii) redeploying funds to acquire additional properties.

The Company will focus on acquiring properties which may be purchased for less than what management believes is the intrinsic or potential value of such properties. In order to assist management in identifying such properties, the Company has licensed the Software, which analyzes sales data and completes a statistical analysis using key property metrics, including, square footage, number of bedrooms, and a series of other proprietary variables and methods to determine the property's anticipated resale value after completion of renovations, if required. Using statistical models, management culls out the majority of the market and instead look at statistical outliers. From there, management has manual secondary due diligence processes to ensure that the outliers are not false positives including reading of the strata notes, walk through's and other due diligence to mitigate potential risk. For further information about the Software, see Item 2.7 - "Material Agreements – Licensing Agreement".

The Company plans to use the proceeds of the Offering primarily to purchase properties and any on-site businesses associated therewith, if applicable, to manage the properties, to conduct any renovations as may be deemed necessary or desirable, to prepare the properties for resale and to pay closing costs associated therewith. Upon completion of the purchase, renovation and resale of a property (referred to as a "**Full Cycle**"), which typically takes approximately 12 months from start to completion, the Company intends to redeploy the capital to a new property. Notwithstanding the foregoing, the Company may extend the duration of a Full Cycle to take advantage of varying market conditions.

### *Development Strategy*

The Company's development strategy focuses on partnering with experienced, reputable developers and contractors to identify, acquire and rezone development properties to create value. The Company may also target raw land, industrial or commercial properties for development or renovations. In connection with the acquisition and/or development of a commercial property, the Company may also acquire an operating business located at such property. In such an event, the Company may continue to operate such business in the short term until such business and/or property is resold. Alternatively, the Company may create a business to compliment such commercial property to improve the resale price or appeal to a broader market.

#### ***The Investment Process***

Management will identify and evaluate potential properties for acquisition using the Software. Upon identifying a suitable property, the Company intends to perform a thorough analysis that may make use of due diligence tools and sources of information as appropriate, which may include reviewing strata documents, building inspection reports, appraisals, environmental assessment reports, fire prevention reports and any other possible documents that the Company may deem necessary. Title to each of the acquired properties will be registered in the name of the Company.

Using the Software, management will determine whether the properties are to be renovated, leased or resold. The Company will engage third parties to complete the renovations, if required, or to prepare the property for lease or resale. The Company has a number of relationships with realtors and contractors but, as of the date of this Offering Memorandum, there are no binding agreements in place in order to ensure competitive pricing and terms. Robert Nicholas Green, a director of the Company, may act as a realtor for purchasing from time to time. See Item 8 – "Risk Factors – Potential Conflicts of Interest" and Item 8 – "Risk Factors – Investment Risk".

To the extent that renovations to the properties are required, management will prepare a budget in respect of such renovations, oversee and coordinate the renovations and engage the services of design, engineering and other consultants as are reasonably required for the renovations. Management will supervise and inspect the progress of the renovations.

If the Company determines that a property should be leased in the short to mid-term, the Company will use a variety of online advertisements and engage intermediaries in order to tenant the property expediently while aiming to achieve maximum rental rate potential.

In the event that management determines that market conditions support the disposition of a property, management may engage realtors, property stagers, and other required services to assist in marketing the property to the appropriate audience and achieving maximum resale value. Management uses the Software to ensure that any properties that are to be listed for sale are priced correctly.

### **2.3 Development of the Business**

The Company was incorporated on November 23, 2020 under the laws of the Province of British Columbia. Since incorporation, the Company has taken steps necessary to offer and sell Preferred Shares and to use the proceeds therefrom to acquire a portfolio of residential properties and interests in several pre-sale properties in the Greater Victoria Area. As of the date of this Offering Memorandum, the Company has cash in the amount of \$521,716.32.

The table below summarizes the number of condominiums and apartments sold in Greater Victoria (as defined by the Victoria Real Estate Board), the aggregate value of the sales and the average sales price per unit for the last three calendar years, as reported by the Victoria Real Estate Board.

Greater Victoria Condominium and Apartment Sales			
Year	Total Number of Units Sold	Total Dollar Volume	Annual Average
2022 <sup>1</sup>	2,270	\$1,458,214,478	\$642,385
2021 <sup>2</sup>	3,443	\$1,936,031,490	\$562,309
2020 <sup>3</sup>	2,397	\$1,161,927,144	\$484,742
2019 <sup>4</sup>	2,189	\$1,023,823,250	\$467,713

Based on the statistical reports provided by the Victoria Real Estate Board, the number of units sold and the average sales price has been increasing in Greater Victoria over the past three years. The Company intends to position itself within the market as a buyer and a seller to take advantage of the current Greater Victoria Area price trends. In the event that there is a stagnant period of sales price growth, the Company's current business model of renovation, tenancy and resale can be shifted to renovation and tenancy to allow the Company to hold assets for the midterm while still generating income.

#### A. Property Portfolio

As of the date hereof, the Company's property portfolio is comprised of a total of seven properties and nine pre-sale contracts in respect of condominiums.

#### Residential Properties

A summary of certain financial and other characteristics of each of the properties currently comprising the Company's portfolios is set out below:

Property Name	Address	Purchase Price <sup>(1)</sup>	Status	Rent	Listed Price
Toronto Street	405 – 620 Toronto Street	\$464,900	Listed for sale	Not Currently Tenanted (Pro-Forma @ \$2750.00)	\$564,900
Gorge Road East	209 – 105 Gorge Road East	\$400,000	Leased / Listed for sale	\$2436.00/Month	\$540,000
View Street	705 – 1020 View Street	\$498,000	Leased / Listed for sale	\$2950.00/Month	\$714,900
75 Gorge Road West	409 – 75 Gorge Road West	\$407,000	Leased	\$2700.00/Month	N/A
512-71 Gorge Road West	512 – 71 Gorge Road West	\$376,000	Leased	\$2500.00/Month	N/A
405-71 Gorge Road West	405 – 71 Gorge Road West	\$470,000	Leased	\$3000.00/Month	N/A
Fort Street	102 – 1710 Fort Street	\$535,000	Leased	\$3300.00/Month	N/A

(1) Amount shown does not include standard closing cost and adjustments.

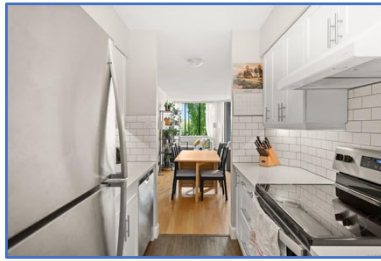
<sup>1</sup> "2022 Annual Sales Summary By Area", Victoria Real Estate Board Multiple Listing Service, January 2, 2023, online: Victoria Real Estate Board, [https://www.vreb.org/media/attachments/view/doc/2022\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_area/pdf/2022\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_area.pdf](https://www.vreb.org/media/attachments/view/doc/2022_annual_summaries_of_residential_sales_by_area/pdf/2022_annual_summaries_of_residential_sales_by_area.pdf).

<sup>2</sup> "2021 Annual Sales Summary By Area", Victoria Real Estate Board Multiple Listing Service, January 1, 2022, online: Victoria Real Estate Board [https://www.vreb.org/media/attachments/view/doc/1\\_2021\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_area/pdf/1\\_2021\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_area.pdf](https://www.vreb.org/media/attachments/view/doc/1_2021_annual_summaries_of_residential_sales_by_area/pdf/1_2021_annual_summaries_of_residential_sales_by_area.pdf).

<sup>3</sup> "2020 Annual Sales Summary By Area", Victoria Real Estate Board Multiple Listing Service, January 1, 2021, online: Victoria Real Estate Board [https://www.vreb.org/media/attachments/view/doc/2020\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_district/pdf/2020\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_district.pdf](https://www.vreb.org/media/attachments/view/doc/2020_annual_summaries_of_residential_sales_by_district/pdf/2020_annual_summaries_of_residential_sales_by_district.pdf).

<sup>4</sup> "2019 Residential Statistics By District", Victoria Real Estate Board Multiple Listing Service, January 1, 2020, online: Victoria Real Estate Board [https://www.vreb.org/media/attachments/view/doc/2019\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_district\\_2/pdf/2019\\_annual\\_summaries\\_of\\_residential\\_sales\\_by\\_district\\_2.pdf](https://www.vreb.org/media/attachments/view/doc/2019_annual_summaries_of_residential_sales_by_district_2/pdf/2019_annual_summaries_of_residential_sales_by_district_2.pdf).

### Toronto Street Property



On April 15, 2021, the Company acquired all right, title and interest to the property located at 405 – 620 Toronto Street, Victoria, British Columbia, V8V 1P7 (the “**Toronto Street Property**”), and legally described as:

Strata Lot 29 of Lots 1803, 1804, 1805, 1806 and 1807, Victoria City  
Strata Plan VIS4612 together with an interest in the common property  
in proportion to the unit entitlement of the Strata Lot as shown on  
Form 1  
PID: 024-196-312

The Toronto Street Property is a 786 square foot, two-bedroom, 1 bath condominium located in the community of James Bay in the Roberts House building. Roberts House is a brick, steel and concrete high-rise built in 1973 and positioned near Beacon Hill Park. Victoria Harbour and a number of shops and restaurants are located within 1 kilometre of the Toronto Street Property. Building amenities include a pool, sauna, spa, gym, woodshop, bike storage, common room, guest rooms, parking and extra storage. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the Toronto Street Property at a price of \$464,900 (plus standard costs and adjustments). Carrying costs include \$603.44 in monthly strata fees and \$165.05 (monthly) in property taxes. The mortgage is cross collateralized as further described in Item 2.7 - “Material Agreements – Argent Loan Agreement”. There is both a mortgage and assignment of rents registered against title to the property in favour of Argent. At the time of the property’s acquisition by the Company, the market was actively trending upward with a statistical outlier in excess of 8% of market comparables. The building had recently had its plumbing materially reworked and, as the Company determined that this recent improvement was not reflected in the property’s sales price, the Company determined the property to be undervalued and an opportunity for acquisition and future resale.

The Toronto Street Property, which has just recently been vacated by tenants on October 31, 2022, was previously rented at a rental price of \$2,334.50 (plus utilities)/month. As of the date of this Offering Memorandum, the Toronto Street Property is listed for sale and the Company will continue to list the property for sale in the short term. In the event that the Company is unable to sell the Toronto Street Property for a satisfactory price, the Company anticipates that the Property can be rented for \$2,750 (plus utilities) /month.

After completing \$19,806.06 in strategic renovations, the Toronto Street Property has a book value of \$479,407 and is listed for sale at the date of this Offering Memorandum at a price of \$564,900. Other than standard closing costs and commissions associated with the potential sale of the Toronto Street Property, the Company does not intend to incur any further costs in relation thereto. There can be no assurance that the Toronto Street Property will sell at or near the list price. See Item 8 - “Risk Factors” and “Forward Looking Statements”.

### Gorge Road East Property



On May 27, 2021, the Company acquired all right, title and interest to the property located at 209 – 105 Gorge Road East, Victoria, British Columbia, V9A 6Z3 (the **“Gorge Road East Property”**), and legally described as:

Strata Lot 19, Section 10, Victoria District, Strata Plan 609, together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form 1  
PID: 000-721-255

The Gorge Road East Property is a 1330 square foot, two-bedroom, 1 bath condominium located in the community of Burnside. The unit is located in a steel and concrete building constructed in 1978 near the Gorge Waterway and across the street from the Gorge Road Hospital. Shopping centres, restaurants, parks and a movie theatre are located within 3 kilometres of the Gorge Road East Property. Building amenities include a common room, two rooftop balconies, workshop, storage unit, bike and kayak storage and parking. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the Gorge Road East Property at a price of \$400,000 (plus standard costs and adjustments). Carrying costs include \$604.78 in monthly strata fees and \$131.51 (monthly) in property taxes. The mortgage is cross collateralized as further described in Item 2.7 - “Material Agreements – Argent Loan Agreement”. There is both a mortgage and assignment of rents in favour of Argent, in addition to an easement, undersurface rights in favour of the Province and several rights of way in favour of the City of Victoria, the Capital Regional District and BC Hydro and Power Authority, all registered against title to the Gorge Road East Property. At the time of acquisition, this property was a significant statistical outlier with a sales price that did not reflect the neighborhood’s revitalization efforts and the property’s potential for renovation. Following the Company’s acquisition of the property, management was able to renovate this property from a 2 bedroom, 1 bath to a 2 bedroom, 1 bath and den.

The Gorge Road East Property is presently occupied by tenants, and has been occupied by tenants since September 1, 2021 at a rental price of \$2,436.00/month.

After completing \$41,517.16 in strategic renovations, the Gorge Road East Property has a book value of \$455,052 and is listed for sale at the date of this Offering Memorandum at a price of \$540,000. Other than standard closing costs and commissions associated with the potential sale of the Gorge Road East Property, the Company does not intend to incur any further costs in relation thereto. There can be no assurance that the Gorge Road East Property will sell at or near the list price. See Item 8 - “Risk Factors” and “Forward Looking Statements”.



### View Street Property



On June 30, 2021, the Company acquired all right, title and interest to the property located at 705 – 1020 View Street, Victoria, British Columbia, V8V 4Y4 (the “**View Street Property**”), and legally described as:

Strata Lot 123, of lots 981, 982, 983, 984, 985, 991, 992, 993, 994, 995,  
and amended lot 990, Victoria City, Strata Plan VIS 2133, together with  
an interest in the common property in proportion to the unit  
entitlement of the Strata Lot as shown on Form 1  
PID: 017-417-341

The View Street Property is a 1,106 square foot, two-bedroom, 2 bathroom condominium located in the Regents Park subdivision. The unit is located in a steel and concrete building constructed in 1992 near downtown Victoria. Several shops and restaurants are located within 1 kilometre of the property. Building amenities include in-suite laundry, storage locker, secured parking, sauna, whirlpool spa, common room, workshop and a fitness room. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the View Street Property at a price of \$498,000 (plus standard costs and adjustments). Carrying costs include \$595.56 in monthly strata fees and \$209.89 (monthly) in property taxes. The mortgage is cross collateralized as further described in Item 2.7 - “Material Agreements – Argent Loan Agreement”. In addition to certain permits that may affect title of the View Street Property under Part 29 of the *Municipal Act* (British Columbia), there is both a mortgage and assignment of rents in favour of Argent registered against title to the View Street Property. At the time of acquisition, one of the first new towers in the surrounding area was recently completed, and the Company anticipated that comparables in the area would trend upward as the development of the surrounding area continued.

The View Street Property is presently occupied by tenants, and has been occupied by tenants since September 1, 2022 at a rental price of \$2950.00/month.

After completing \$44,703.09 in strategic renovations, the View Street Property has a book value of \$599,981 and is listed for sale at the date of this Offering Memorandum at a price of \$714,900. Other than standard closing costs and commissions associated with the potential sale of the View Street Property, the Company does not intend to incur any further costs in relation thereto. There can be no assurance that the View Street Property will sell at or near the list price. See Item 8 - “Risk Factors” and “Forward Looking Statements”.

#### 409 - 75 Gorge Road West Property



On September 7, 2021, the Company acquired all right, title and interest to the property located at 409 – 75 Gorge Road West, Victoria, British Columbia, V9A 7A9 (“**75 Gorge Road West Property**”), and legally described as:

Strata Lot 97, Sections 11 and District 143, Victoria District, Strata Plan 845 (Phase 2), together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form 1  
PID: 000-778-354

The 75 Gorge Road West Property is a 1,166 square foot, two-bedroom, 1.5 bathroom condominium located in the community of Burnside. The unit is located in a waterfront wood frame building constructed in 1981 near the Gorge Waterway and is part of a multi-building complex. Shopping centres, restaurants, parks and a movie theatre are located within 3 kilometres of the 75 Gorge Road West Property. Building amenities include an indoor pool, hot tub, sauna, tennis courts and a recreation room. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the 75 Gorge Road West Property at a price of \$407,000 (plus standard costs and adjustments). Carrying costs include \$675.64 in monthly strata fees and \$9,200.40 (annualized) in property taxes. The mortgage is cross collateralized as further described in Item 2.7 -“Material Agreements – Argent Loan Agreement”. In addition to a permit that may affect title of the 75 Gorge Road West Property under Part 26 of the *Municipal Act* (British Columbia), there is both a mortgage and assignment of rents in favour of Argent registered against title and several rights of way, land use contracts, statutory rights of way and undersurface rights registered against title. At the time of acquisition, the Company determined that the property was priced less than similar units in the vicinity.

The 75 Gorge Road West Property is presently occupied by tenants, and has been occupied by tenants since November 1, 2021, with the latest rental price of \$2700/month as of the date of this Offering Memorandum.

After completing \$27,762.50 in strategic renovations, the 75 Gorge Road West Property has a book value of \$455,273. As of the date of this Offering Memorandum, the Company intends to prepare the property for sale in April of 2023. The 75 Gorge Road West Property is not listed for sale as of the date of this Offering Memorandum.

### 512- 71 Gorge Road West Property



On September 28, 2021, the Company acquired all right, title and interest to the property located at 512 – 71 Gorge Road West, Victoria, British Columbia, V9A 1L9 (the “**512-71 Gorge Road West Property**”), and legally described as:

Strata Lot 208, Section 11, Victoria District, Strata Plan 845, (Phase 3),  
together with an interest in the common property in proportion to the  
unit entitlement of the Strata Lot as shown on Form 1  
PID: 000-340-162.

The 512-71 Gorge Road West Property is a 954 square foot, two-bedroom, 2 bathroom condominium located in the community of Cedar Shores. The unit is located in a waterfront wood frame building constructed in 1981 near the Gorge Waterway and is part of a multi-building complex. Shopping centres, restaurants, parks and a movie theatre are located within 3 kilometres of the 512-71 Gorge Road West Property. Building amenities include an indoor pool, tennis courts and a recreation room. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the 512-71 Gorge Road West Property at a price of \$376,000 (plus standard costs and adjustments). Carrying costs include \$622.42 in monthly strata fees and \$138.01 (monthly) in property taxes. The mortgage is cross collateralized as further described in Item 2.7 - “Material Agreements – Argent Loan Agreement”. In addition to a permit that may affect title of the 512-71 Gorge Road West Property under Part 26 of the *Municipal Act* (British Columbia), there is both a mortgage and assignment of rents in favour of Argent registered against title and several rights of way, land use contracts, statutory rights of way and undersurface rights registered against title. At the time of acquisition, the Company determined that the property was priced less than similar units in the vicinity. However, despite the property’s modest square footage, the Company has not observed a proportionate reduction in rent in comparison to its larger counterparts resulting in a higher return on investment (on a rental basis) for the Company.

The 512-71 Gorge Road West Property is presently occupied by tenants, and has been occupied by tenants since January 1, 2022, at a rental price of \$2500/month.

Management intends to list this unit for sale in April 2023.

After completing \$19,940.53 in strategic renovations, the 512- 71 Gorge Road West Property has a book value of \$390,155. As of the date of this Offering Memorandum, the Company intends to prepare the property for sale. The 512-71 Gorge Road West Property is not listed for sale as of the date of this Offering Memorandum.

405-71 Gorge Road West Property



On February 15, 2022, the Company acquired all right, title and interest to the property located at 405 – 71 Gorge Road West, Victoria, British Columbia, V9A 1L9 (the “**405- 71 Gorge Road West Property**”), and legally described as:

Strata Lot 208, Section 11, Victoria District, Strata Plan 845, (Phase 3),  
together with an interest in the common property in proportion to the  
unit entitlement of the Strata Lot as shown on Form 1  
PID: 000-779-245

The 405-71 Gorge Road West Property is a 964 square foot, 2-bedroom, 2 bathroom condominium located in the community of Cedar Shores. The unit is located in a waterfront wood frame building constructed in 1981 near the Gorge Waterway. Shopping centres, restaurants, parks and a movie theatre are located within 3 kilometres of the 405-71 Gorge Road West Property. Building amenities include an indoor pool, tennis courts and a recreation room. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the 405-71 Gorge Road West Property at a price of \$470,000 (plus standard costs and adjustments). Carrying costs include \$675.64 in monthly strata fees and \$148.84 (monthly) in property taxes. In addition to a permit that may affect title of the 405-71 Gorge Road West Property under Part 26 of the *Municipal Act* (British Columbia), there are several rights of way, land use contracts, statutory rights of way and undersurface rights registered against title. At the time of acquisition, the Company determined that the property was priced less than similar units in the vicinity.

The 405-71 Gorge Road West Property was previously occupied by tenants from February 16, 2022 through to November 28, 2022. As of the date of this Offering Memorandum, the property is vacant and currently under renovation. The Company intends to renovate this property, tenant it for a single fiscal year and then sell the property. See Item 8 - “Risk Factors” and “Forward Looking Statements”.

### Fort Street Property



On March 7, 2022, the Company acquired all right, title and interest to the property located at 102 – 1710 Fort Street, Victoria, British Columbia, V8R 1J2 (the **“Fort Street Property”**), and legally described as:

Strata Lot 4, Section 75, Victoria District, Strata Plan VIS3352 together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form 1  
PID: 018-876-897

The Fort Street Property is a 984 square foot, 2-bedroom, 2 bathroom condominium located in the community of Jubilee. The unit is located in a wood frame building constructed in 1994 near the Royal Jubilee Hospital. Shops, restaurants and parks are located within 1 kilometre of the Fort Street Property. This property also fronts multiple bus lines and is in close proximity to two strip malls and grocery stores. Building amenities include a bike room. Hot water is paid by the strata corporation. Electricity is provided by individual electricity meters associated with each unit and is paid for by the tenants. The cost of gas, water, sewer charges, and trash collection is paid by the strata corporation.

The Company acquired the Fort Street Property at a price of \$535,000 (plus standard costs and adjustments). Carrying costs include \$473.19 in monthly strata fees and \$104.16 (monthly) in property taxes. Aside from a statutory right of way in favour of Terasen Gas (Vancouver Island) Inc., there are no encumbrances or charges registered against title to the Fort Street Property. The Company acquired this property as it was determined to be an extreme outlier per square foot value and the property offered a rare opportunity to be converted from a large 2 bedroom, 2 bath layout into a 3 bedroom, 2 bath layout.

The Fort Street Property is presently occupied by tenants, and has been occupied by tenants since May 1, 2022 at a rental price of \$3300.00/month.

After completing \$55,711.81 in strategic renovations, the Fort Street Property has a book value of \$600,000.00. As of the date of this Offering Memorandum, the Company intends to prepare the property for sale at the end of a 1-year tenancy. See Item 8 - “Risk Factors” and “Forward Looking Statements”. The Fort Street Property is not listed for sale as of the date of this Offering Memorandum.



### Pre-Sale Contracts

The following table sets out each unit's purchase price, the Company's costs to date per unit and balance of purchase price due at closing.

Name and Unit No.	Purchase Price (including GST)	Presale Deposit as of the date of this Offering Memorandum	Balance due at Closing (excluding closing costs)
Whirlaway			
308	\$524,895.00	\$24,995.00	\$499,900.00
310	\$524,895.00	\$24,995.00	\$499,900.00
410	\$524,895.00	\$24,995.00	\$499,900.00
Peatt Road			
302	\$576,450.00	\$54,900.00	\$521,550.00
1002	\$597,448.95	\$56,900.00	\$540,548.95
1102	\$602,698.95	\$57,400.00	\$545,298.95
1202	\$607,945.95	\$57,900.00	\$550,048.95
1302	\$613,198.95	\$58,400.00	\$554,798.95
1401	\$628,948.95	\$59,900.00	\$569,049.95

#### Whirlaway Crescent

The Company has entered into purchase agreements with McCallum Developments Inc. in respect of three pre-sale units (units 308, 310 and 410) at the development located at 947 Whirlaway Crescent, Victoria, British Columbia V9B 6W5 and legally described as PID: 031-402-500, Lot A Section 112 Esquimalt District Plan EPP110139 (collectively, the "**Whirlaway Crescent Properties**"). The wood frame building is under construction with an anticipated completion date of 2023 and an anticipated closing date of July 27, 2023, in respect of all three units. The purchase price/unit is \$524,895.00. The Company has paid an initial deposit of \$24,995/unit with the balance of the purchase price, being \$524,895.00/unit (excluding GST and closing costs), to be paid on closing.

By batch integrating all the pre-sales of the Westshore area into the Company's Software (with GST built into the pre-sale prices), the Company determined that the Whirlaway Crescent Properties were a good fit with the Company's "statistical outlier" strategy and the acquisition of these properties has given the Company a foothold in the Westshore area. The Company intends to either (i) complete the acquisition of the properties with a view to renting the properties for 1 year before selling, or (ii) assigning the properties prior to close for a profit.

As the development is new construction, the Company does not anticipate the need to renovate any of the units upon acquisition.

#### Peatt Road

The Company has entered into purchase agreements with The Scene at Langford Development Ltd. in respect of 6 pre-sale units (units 302, 1002, 1102, 1202, 1302 and 1402) at the development located at 2746 Peatt Road, Victoria, British Columbia V9B 6W5 and legally described as PID: 031-671-659, Lot A Section 5 Esquimalt District Plan EPP118666 (collectively, the "**Peat Road Properties**"). The development is in the early stages of demolition. The steel and concrete high-rise building has an anticipated completion date of 2025 and an anticipated closing date of April 2025 in respect of all 6 units.

In choosing to acquire the Peat Road Properties, the Company used the Software to generate a comparison of the presales in the area which indicated that the Peat Road Properties (a concrete build with building amenities) were priced comparably to wood frame builds without building amenities. Additionally, the Peat Road Properties were located in a preferred neighbourhood.

As the development is new construction, the Company does not anticipate the need to renovate any of the units upon acquisition. Strata fees and property taxes are not yet determined but strata fees are estimated to be approximately \$0.50 per square foot.

### **Valuation of Properties**

Pursuant to the Company's Articles, the valuation of any direct or indirect interest in the Company's real property is its Fair Market Value based on appraisals from qualified independent third party appraisers. It is the intention of the Company to have all properties appraised annually. The Company has commissioned appraisals for all of its properties other than the property located at 308-79 Gorge Road, Victoria, British Columbia V9A 1L9.

### **Other Asset Classes and Geographic areas**

The Company's primary focus is redeveloping or repositioning residential and commercial properties in the Greater Victoria Area, but the Company will consider acquisitions in other locations and real estate asset classes as investment opportunities arise, subject to successfully licensing the Software for such locations. As of the date of this Offering Memorandum, the Company is permitted to extend the license to three other cities. See Item 2.7 - "Material Agreements – Licensing Agreement".

### ***B. Development Opportunities***

The Company is also looking at bare land, commercial and industrial opportunities that appear to show promise relative to market.

As of the date of this Offering Memorandum, the Company is primarily targeting standing inventory retrofit projects with potential operating cash flows to maximize the Company's cap rate and be able to strategically hedge against inflation. The expectation is that this will limit interest rate impacts while simultaneously bringing market rates in as the inflation continues.

### **2.4 Long-Term Objectives**

The long-term objectives of the Company are:

- (a) to issue sufficient Preferred Shares to permit the Company to acquire, own, hold, manage, lease, operate, renovate, develop, rezone, improve and sell properties;
- (b) to provide holders of Preferred Shares with income derived from the Company's operations; and
- (c) distribute profits among the Shareholders of the Company.

Subject to future events which may impact the timing of such decisions, it is the Company's intention to continue its business for an indefinite period of time.

### **2.5 Short-Term Objectives and How the Company Intends to Achieve Them**

The business objectives of the Company for the next 12 months are to complete the offering of a sufficient number of Preferred Shares pursuant to this Offering Memorandum to be able to purchase, develop, rezone, improve, operate and/or renovate certain properties with a view to selling such properties. A portion of the proceeds may also be used to pay: (a) down mortgage financing on a specific property or group of properties; (b) capital expenditures on a specific property or group of properties; (c) due diligence and documentation costs relating to property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to acquisitions; (d) expenses related to creating and managing businesses that compliment a specific property or properties for short term operation by the Company in the expectation of increasing the resale value of such property or group of properties; (e) renovation, project management and construction management costs; (f) property management and maintenance costs; and (g) in the event the Company is required to redeem Preferred Shares, to satisfy redemptions. Other as described under Item 2.3 - "Development of the Business", the specific additional properties in which the Company may invest have not yet been determined.

What the Company must do and how it will do it	Target completion date or, if not known, number of months to complete	Cost to complete
Sale of Preferred Shares	Ongoing	
Purchasing apartments	Every 3 to 4 months until capital is fully allocated	Approximately \$500,00 per unit <sup>(1)</sup>
Renovations of apartments	Expected to be complete within 30 – 60 days after purchase	\$30,000 – \$80,000 per unit
Tenancy	Expected to be begin within 30 – 60 days after completion of renovation	N/A
Resale	This will depend on the market, interest rates, capital appreciation rates and requirements of the CRA.	N/A
Full cycle	Every 12 months	\$1,000,000 – \$5,500,000

<sup>(1)</sup> Depending on size and location

## 2.6 Insufficient Funds

The funds available as a result of the Offering may not be sufficient to accomplish all of the Company's proposed objectives and there is no assurance that alternative financing will be available.

## 2.7 Material Agreements

The following is a list of agreements which are material to this Offering and to the Company, all of which are in effect:

- (a) Licensing Agreement – The Licensing Agreement is described under Item 2.7 - "Material Agreements – Licensing Agreement".
- (b) Argent Loan Agreement – The Argent Loan Agreement is described under Item 2.7 - "Material Agreements – Argent Loan Agreement".
- (c) Offer of Credit – The Offer of Credit is described under Item 2.7 - "Material Agreements – Offer of Credit".
- (d) Management Contractor Agreement – The Management Contractor Agreement is described under Item 2.7 - "Material Agreements – Management Contractor Agreement".
- (e) Subscription Agreements – The Subscription Agreement is described under Item 5.2 - "Subscription Procedure".

**Copies of all of the contracts referred to above may be inspected during normal business hours at the head office of the Company, located at 301 – 3450 Uptown Boulevard, Victoria, British Columbia, V8Z 0B9.**

### A. Licensing Agreement

Pursuant to the Licensing Agreement, Robert Nicholas Green (Director and Chief Executive Officer of the Company) and Daniel Heeb (Chief Information Officer of the Company), as licensors (the "**Licensors**"), granted to the Company a non-exclusive, non-transferrable, perpetual license in a certain real estate algorithm, including any updates, bug fixes and patches (collectively, the "**Software**"). As consideration for the license of the Software, the Company is required to pay an annual fee of \$1.00.

The Company will use the Software to generate daily real estate market data exports pertaining to the City of Victoria, British Columbia and the surrounding area within a 75 kilometre radius from Victoria's City Hall located at 1 Centennial Square, Victoria, BC V8W 1P6 (together with the city of Victoria, the "**Greater Victoria Area**"). The Software allows for updates almost in real time when logged in for statistical outliers. At the Company's election, the Company may receive data exports for up to 3 additional cities as may be selected by the Company and agreed by the Licensors.

Pursuant to the Licensing Agreement, the Company is prohibited from (i) copying, modifying, or creating derivate works of the Software; (ii) renting, leasing or sublicensing the Software; (iii) reverse-engineering, disassembling or decompiling in any manner the Software; (iv) removing any proprietary notices from the Software; or (v) using the Software in any manner that violate any intellectual property rights or applicable laws (collectively, the "**Use Restrictions**").



The Licensing Agreement may be terminated by the Licensors in the event that the Company fails to pay any amount due under the Licensing Agreement or if the Company breaches the Use Restrictions or its confidentiality obligations. Either party may terminate the Licensing Agreement if the other party breaches any of the terms of the Licensing Agreement and such breach is incapable of cure or remains uncured for a period of 30 days after the non-breaching party provides the breaching party notice of such breach. Additionally, either party may terminate the Licensing Agreement if the other party becomes insolvent or has filed for bankruptcy. Upon termination of the Licensing Agreement, the Company will be required to delete or destroy all copies of the Software.

**B. Argent Loan Agreement**

Pursuant to the Argent Loan Agreement, Argent agreed to loan and the Company accepted a loan in the principal amount of \$1,800,000 (the “**Argent Loan**”) to be used towards future acquisitions, joint ventures, unit upgrades and general business operations approved by Argent. The Argent Loan bears interest at a rate the greater of 6.25% or Royal Bank Prime<sup>5</sup> plus 2%, compounded and payable monthly.

The Argent Loan is secured by a general security agreement registered under the *Personal Property Security Act* (British Columbia) and a first mortgage charge and a general assignment of rents registered against title to the following properties (collectively, the “**Mortgaged Properties**”):

- (a) the Toronto Street Property;
- (b) the View Street Property;
- (c) 512-71 Gorge Road West Property;
- (d) 75 Gorge Road West Property; and
- (e) the Gorge Road East Property.

All amounts under the Argent Loan Agreement must be advanced by September 1, 2022. An initial advance of \$350,000 made on January 27, 2022 was used by the Company to partially repay an existing mortgage on the Toronto Street Property. A second advance of \$335,000 on February 11, 2022 assisted the Company in the purchase of the 405-71 Gorge Road West Property. As of the date of this Offering Memorandum, an amount of \$1,467,565.00 has been advanced under the Argent Loan Agreement.

A processing fee equal to 1% of each draw will be charged by Argent and deducted from each advance. After the second advance, Argent was entitled to charge an additional draw fee in the amount of \$250 per draw.

Upon acceptance of the Argent Loan Agreement, Argent charged a standby fee of \$5,000, which will be returned to the Company upon the Company’s performance of all obligations under the Argent Loan Agreement, acceptance of the mortgage proceeds, and execution of all necessary mortgage documents. The standby fee will be forfeited as liquidated damages in the event that the Company fails to sign the required mortgage documents, the mortgage proceeds are not accepted, or the Company fails to perform its obligations under the Argent Loan Agreement.

The Company is entitled to repay the Argent Loan in full or in part after July 15, 2022, without penalty, upon one week’s written notice to Argent. The Company is entitled to partial discharges in respect of the Mortgaged Properties in the event that the Mortgage Properties are sold to a third party, provided the Company pays a release fee of \$150/Mortgaged Property plus 80% of the gross sale price provided the amount to Argent is not less than \$360,000.

The Company is required to make monthly interest payments, with the full principal amount of the Argent Loan due and payable on February 1, 2023, which was extended pursuant to the Amending Agreement to April 1, 2023 and which may be further extended, provided the mortgage remains in good standing and all property taxes and insurance are paid up to date, at the Company’s sole option by two-month increments until the outside date of August 1, 2023. Argent is entitled to charge an extension fee of \$2,445 in respect of every two-month extension, including in respect of the extension to April 1, 2023.

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<sup>5</sup> <https://www.rbcroyalbank.com/rates/prime.html>

**C. Offer of Credit**

Pursuant to the Offer of Credit, the Credit Union has agreed to provide loan facilities to the Company in the amount of \$1,425,000 (the “**Credit Union Loan**”). The Credit Union’s funding of the Credit Union Loan is subject to the Company’s completion of certain conditions precedent and the granting of such security as requested by the Credit Union. The Company intends to use the Credit Union Loan to partially repay the Argent Loan, with any outstanding amount under the Argent Loan to be repaid from the Company’s cash balance.

The Credit Union Loan will bear interest at the Credit Union’s prime rate plus 1%, compounded and payable monthly. The Credit Union Loan is due and payable 12 months from the date that funds are advanced under the Credit Union Loan. The Company may prepay the whole or any portion of the Credit Union Loan without penalty.

The Credit Union Loan will be secured by a commercial security agreement registered under the *Personal Property Security Act* (British Columbia) and a mortgage charge and assignment of rents registered against title to the Mortgaged Properties, the 405-71 Gorge Road West Property and the Fort Street Property. Each of Steven Arneson, Daniel Heeb, Randy Molland and Robert Nicholas Green will also enter into indemnity agreements and provide insurance waivers in favour of the Credit Union.

In connection with the Offer of Credit, the Company is subject to a non-refundable commitment fee of 0.5% of the Credit Union Loan, equivalent to \$7,125, and paid an application fee of \$2,000 which may be applied to the commitment fee.

**D. Management Contractor Agreement**

Pursuant to the Management Contractor Agreement, the Company has engaged Parametric Homes, a company owned and controlled by Robert Nicholas Green (Director and Chief Executive Officer of the Company), to provide management services for the Company. As consideration for its services, the Company has agreed to pay Parametric Homes 50% of Parametric Homes’ hourly rate (\$120.00/per hour in 2022). Upon the Company reaching a valuation in excess of \$10,000,000, the Company will pay 100% of Parametric Homes’ hourly rate. The Company will reimburse Parametric Homes for all reasonable expenses. Interest at a rate of 10% per annum shall accrue and be paid by the Company in respect of any unpaid fees and expenses.

The Management Contractor Agreement shall be automatically renewed annually for a one-year term. The Management Contractor Agreement may be terminated by (i) mutual agreement by the parties, or (ii) either party providing notice of termination within 90 days before the expiration of the term or renewal term of the agreement.

### 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 Company and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Company (a “principal holder”).

Name and municipality of principal residence	Positions held (e.g. Director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Company in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, percentage and type of securities of the Company <sup>(1)(2)</sup>
R. Nicolas Green <sup>(3)</sup> <i>Victoria, BC</i>	Director and Chief Executive Officer since November 23, 2020	2021: \$20,520.00 <sup>(4)</sup> 2022: \$52,062.00 <sup>(4)</sup>	566 Class A Common Shares (56.6% of voting securities)
Daniel Heeb <i>Victoria, BC</i>	Chief Information Officer since November 23, 2020	2021: \$1,020.00 2022: \$7,320.00	150 Class B Common Shares (15% of voting securities)
Randy Molland <i>Victoria, BC</i>	Vice President of Project Management since November 23, 2020	2021: <sup>(5)</sup> 2022: \$0.00	100 Class B Common Shares <sup>(6)</sup> (10% of voting securities)
Steven Arneson <i>Victoria, BC</i>	Vice President of Project Management since November 23, 2020	2021: <sup>(5)</sup> 2022: \$0.00	100 Class B Common Shares <sup>(6)</sup> (10% of voting securities)
Will Anderson <i>Victoria, BC</i>	Vice President of Property Management and Investor Relations since November 23, 2020	2021: \$8,670.00 <sup>(7)</sup> 2022: \$27,390.00 <sup>(7)</sup>	84 Class B Common Shares (8.4% of voting securities)

**Notes:**

- <sup>(1)</sup> There is no minimum or maximum to this Offering.
- <sup>(2)</sup> Percentages are based on 1000 Common Shares, being the aggregate of the Class A and Class B Common Shares issued and outstanding as of the date of this Offering Memorandum.
- <sup>(3)</sup> Realty services fees may be paid to Robert Nicholas Green personally from the seller upon successful acquisition of a property in accordance with market standards.
- <sup>(4)</sup> These amounts were paid as a consulting fee to Parametric Homes, a company owned and controlled by Robert Nicholas Green. See Item 2.7 - “Material Agreements – Management Contractor Agreement” for further details. Such amounts represent all of the consulting fees paid to Parametric Homes which can be attributed to Robert Nicholas Green’s services as an executive officer of the Company.
- <sup>(5)</sup> The ReInvestors Group was paid \$5,000 in total to be split between Mr. Molland and Mr. Arneson at their discretion.
- <sup>(6)</sup> These shares are held indirectly by Mr. Molland and Mr. Arneson through The ReInvestors Group Ltd. (the “**ReInvestors Group**”), a company owned and controlled by Mr. Molland and Mr. Arneson with each approximately holding 50% of the voting shares.
- <sup>(7)</sup> These amounts were paid as a consulting fee to Parametric Homes, a company owned and controlled by Robert Nicholas Green. See Item 2.7 - “Material Agreements – Management Contractor Agreement” for further details. Such amounts represent all of the consulting fees paid to Parametric Homes which can be attributed to Will Anderson’s services as an executive officer of the Company.

### 3.2 Management Experience

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

Name	Principal occupations and related experience
<b>R. Nicholas Green</b> <i>Director and Chief Executive Officer</i>	Chief Executive Officer and Director of the Company since November 23, 2020. Vice President of Parametric Pro Consulting since May 2015. Mr. Green operated on a contract consulting basis with Viceroy Homes, Fairway Glass, Beck Glass Insurance, General Internet and the BDC from September 2013 to May 2015. From October 2012 to September 2013, Mr. Green was the Vice President of Origination with Trez Capital Corporation. Prior to that Nic was a Commercial Real Estate Broker and Chief Financial Analyst of Western Canada with Cushman Wakefield from June 2008 to October 2012. Mr. Green has over ten years of experience in the commercial real estate sector.
<b>Daniel Heeb</b> <i>Chief Information Officer</i>	Chief Information Officer of the Company since November 23, 2020. Senior Manager of Mobile Applications at Telus Communications Inc. since August 2021. Senior Manager of Internet and TV Products with Telus Communications Inc. from August 2017 to August 2021.
<b>Randy Molland</b> <i>Vice President of Project Management</i>	Co-Founder of ReInvestors Group since October 2016.
<b>Steven Arneson</b> <i>Vice President of Project Management</i>	Co-Founder of the ReInvestors Group since October 2016.
<b>William Anderson</b> <i>Vice President of Property Management and Investor Relations</i>	Vice President of Property Management and Investor Relations and a Director with the Company since November 23, 2020. Business Management Consultant with Parametric Homes (operating as Parametric Pro Consulting) since August 2019. Prior to working at Parametric Homes, Mr. Anderson worked as an Operations Manager for Milestones Restaurants Inc. from 2015 to 2019.

### 3.3 Penalties, Sanctions and Bankruptcy

To the knowledge of the Company, no penalty or sanction has been in effect during the last 10 years, no cease trade order has been in effect for a period of more than 30 consecutive days during the past 10 years, and no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last 10 years against or with regard to any:

- (a) director, executive officer or control person of the Company, or
- (b) any issuer of which any person referred to in sub-paragraph (a) above was a director, executive officer, or control person of at that time.

### 3.4 Loans

There are no debentures or loans due to or from the directors, management, promoters or principal holders of the Company as at the date of this Offering Memorandum.

## Item 4 - CAPITAL STRUCTURE

### 4.1 Capital

A. The following are the details of the outstanding securities of the Company as of the date of this Offering Memorandum:

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as of the date of this Offering Memorandum	Number outstanding after min. offering <sup>(1)</sup>	Number outstanding after max. offering <sup>(1)</sup>
Class A Voting Common Shares	Unlimited	\$0.01	566	566	566
Class B Voting Common Shares	Unlimited	\$0.01	434	434	434
Class G Non-Voting Preferred Shares, Series 1	Unlimited	\$10.00	445,163	N/A	N/A
Class H Non-Voting Preferred Shares	Unlimited	\$10.00	Nil	N/A	N/A

**Notes:**

<sup>(1)</sup> There is no minimum or maximum to this Offering.

### 4.2 Long Term Debt

As of the date of this Offering Memorandum, the Company's long-term debt obligations are as follows:

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount Outstanding as of the date of this Offering Memorandum
Secured loan in the principal amount of \$1,800,000 from Argent Financial Corp. <sup>(1)</sup>	Royal Bank Prime plus 2%	Interest is compounded and payable monthly. Principal amount is due and payable on April 1, 2023, subject to extension by two-month increments until the outside date of August 1, 2023.	\$1,476,341

<sup>(1)</sup> See Item 2.7 – "Material Agreements – Argent Loan Agreement".

### 4.3 Prior Sales

Within the last 12 months, the Company issued securities as follows:

Date of Issuance	Type of Security	Type of Issuance	Number of securities issued	Price per security	Total funds received
01-Nov-21	Class G Preferred, Series 1	Private Placement	10,000	\$10.00	\$100,000
08-Nov-21	Class G Preferred, Series 1	Private Placement	10,000	\$10.00	\$100,000
29-Nov-21	Class G Preferred, Series 1	Private Placement	10,000	\$10.00	\$100,000
17-Feb-22	Class G Preferred, Series 1	Private Placement	12,015	\$10.00	\$120,150
28-Feb-22	Class G Preferred, Series 1	Private Placement	5,000	\$10.00	\$50,000

Date of Issuance	Type of Security	Type of Issuance	Number of securities issued	Price per security	Total funds received
12-May-22	Class G Preferred, Series 1	Private Placement	45,000	\$10.00	\$450,000
9-June-22	Class G Preferred, Series 1	Private Placement	4,637	\$10.00	\$46,370
23-Jun-22	Class G Preferred, Series 1	Private Placement	5,000	\$10.00	\$50,000
15-July-22	Class G Preferred, Series 1	Private Placement	12,708	\$10.00	\$127,080
21-July-22	Class G Preferred, Series 1	Private Placement	22,045	\$10.00	\$220,450
22 -July-22	Class G Preferred, Series 1	Private Placement	25,990	\$10.00	\$259,900
02-Aug-22	Class G Preferred, Series 1	Private Placement	4,294	\$10.00	\$42,940
11-Aug-22	Class G Preferred, Series 1	Private Placement	8,701	\$10.00	\$87,010
25-Aug-22	Class G Preferred, Series 1	Private Placement	20,504	\$10.00	\$205,040
07-Sep-22	Class G Preferred, Series 1	Private Placement	14,960	\$10.00	\$149,600
12-Sep-22	Class G Preferred, Series 1	Private Placement	2,779	\$10.00	\$27,790

## Item 5 - SECURITIES OFFERED

### 5.1 Terms of Securities

#### Class G Shares and Class H Shares

##### **Subscription Price**

The securities offered pursuant to this Offering Memorandum are Class G Shares and Class H Shares of the Company. The price per Preferred Share is determined by the Company from time to time and will be set forth in the Subscription Agreement(s) entered into between the Subscribers and the Company.

The Preferred Shares have those rights, privileges, restrictions and conditions ascribed thereto as set forth in the Articles, including the following:

##### **Voting Rights**

The holders of Preferred Shares will not be entitled to receive notice of or to attend any meeting of shareholders of the Company and shall not be entitled to vote at any such meeting. The holders of Preferred Shares shall be entitled to notice of any meeting called for the purpose of authorizing the dissolution of the Company or the sale of all or substantially all of the Company's undertaking.

##### **Redemptions**

The Company may redeem all or any of each class of Preferred Shares from time to time and in such manner and in such numbers as the directors in their absolute discretion may determine by paying to the registered holder the price equal to the Redemption Amount Per Preferred Share together with all declared but unpaid preferential dividends.

Each holder of Preferred Shares may require the Company, once per year, to redeem all or any part of the Preferred Shares registered in the name of the shareholder at the price equal to the Redemption Amount Per Preferred Share together with all declared and unpaid dividends in accordance with the terms set out in the Articles subject to Management discretion. A holder that wishes to exercise such redemption right shall, at least sixty (60) days before the end of a Financial Year, give written notice to the Company at the Company's registered office (the "**Notice of Redemption**"). The Notice of Redemption

shall set out the date on which redemption is to take place, which date shall not be earlier than 120 days after the end of such Financial Year for the Company (unless otherwise agreed to by the directors in their sole discretion), and the number thereof to be redeemed if only part of the Preferred Shares are to be redeemed.

The obligation of the Company to redeem any Preferred Shares will be subject to the following:

- (a) the directors shall determine, in their sole discretion, whether sufficient funds are available to the Company for the redemption of any Preferred Shares, and if the directors determine, in their sole discretion, that sufficient funds are not available to pay for the redemption of any Preferred Shares, then the redemption of the Preferred Shares shall be delayed until the directors determine that sufficient funds are available;
- (b) any Preferred Shares are not redeemable if the Company is insolvent or if the redemption of such Preferred Shares would render the Company insolvent;
- (c) in any Financial Year, the Company shall not be required to redeem any Preferred Shares in excess of 10% of the total number of Preferred Shares issued and outstanding on the first day of such Financial Year, unless otherwise agreed to by the directors, in their sole discretion; and
- (d) Preferred Shares will be redeemed in the order that the notices of redemption in respect thereof have been received by the Company.

### **Dividends**

The Board has adopted a dividend distribution policy (the “**Dividend Distribution Policy**”) which provides the principles to be applied in connection with the declaration and payment of dividends by the Company. **The following description of the Dividend Distribution Policy is only a summary thereof, and does not purport to be complete and is qualified in its entirety by the terms of the actual policy. Prospective Subscribers may request to review a copy of the Dividend Distribution Policy from the Company.**

Subject to the provisions of the Company’s Articles, the *Business Corporations Act* (British Columbia) and the Dividend Distribution Policy, the Company intends to declare an annual dividend for each Financial Year with respect to the Preferred Shares, in cash or in additional shares, such that after the payment of such dividend, the Net Asset Value Per Preferred Share will be equal to the subscription price paid for such shares. Any such dividend will not be cumulative or accruing.

The Board may declare additional (regular or special) dividends from time to time in accordance with the *Business Corporations Act* (British Columbia), the constating and governing documents of the Company and subject to the provisions of the Dividend Distribution Policy.

The declaration or other determinations of any such dividend pursuant to the Dividend Distribution Policy, including the amount, record date and actual date of payment of dividends will be determined by the Board, in its sole discretion, at the appropriate time and the Board will consider the cash flows, operations and earnings, capital requirements and surplus, general financial condition of the Company and its subsidiaries, contractual restrictions and such other business considerations and factors as the Board, in its sole discretion, deems relevant.

Generally, the intention of the Dividend Distribution Policy is to require the Board to calculate the Net Asset Value of the Company at regular periodic intervals and to equitably allocate and pay any increase in the Net Asset Value of the Company for a Financial Year (the “**FY NAV Increase**”) to the holders of Preferred Shares based on the capital of the Company attributable to each Class of Preferred Shares. The holders of Preferred Shares will be entitled to a preferred dividend (the “**Preferred Dividend**”) as follows:

	Class G Shares		Class H Shares	
Year	First Year	After First Year	First Year	After First Year
Series 1	6.0%	6.0%	6.0%	6.0%
Series 2	4.5%	6.0%	4.5%	6.0%
Series 3	3.0%	6.0%	3.0%	6.0%
Series 4	1.5%	6.0%	1.5%	6.0%

In the event that there is a FY NAV Increase and the Board wishes to declare a dividend to reduce the Net Asset Value per Preferred Share to the subscription price paid therefor, the Board will:

- (a) allocate the FY NAV Increase to each Class of Preferred Shares based on the capital of the Company attributable to each such Class of Preferred Shares (the “**Class Allocation**”); and
- (b) allocate the Class Allocation to each series of a Class of Preferred Shares based on the capital of the Company in respect of such Class of Preferred Shares attributable to each such series of Class of Preferred Shares (the “**Series Allocation**”).

In the event that the FY NAV Increase is not sufficient to pay the Preferred Dividend on the Class G Shares and the Class H Shares, then the FY NAV Increase will be allocated and paid ratably among the respective series of each class of Preferred Shares, based on the Class Allocation and the Series Allocation, and to the holders based on the number of shares held.

In the event that the FY NAV Increase exceeds the amount payable in respect of the Preferred Dividend on the Class G Shares and the Class H Shares, then the balance of the FY NAV Increase in excess of the Preferred Dividend will be allocated and paid as follows: (i) 50% of the FY NAV Increase in excess of the Preferred Dividend on the Class G Shares will be allocated, based on the Class Allocation and the Series Allocation, to the Class G Shares and paid ratably to the holders of Class G Shares based on the number of shares held, and the remaining 50% will be allocated and paid to the holders of the Class A Voting Common Shares, the Class B Voting Common Shares and the Class C Voting Common Shares, as a group; and (ii) 70% of the FY NAV Increase in excess of the Preferred Dividend on the Class H Shares will be allocated, based on the Class Allocation and the Series Allocation, to the Class H Shares and paid ratably to the holders based on the number of shares held, and the remaining 30% will be allocated and paid to the holders of the Class A Voting Common Shares, the Class B Voting Common Shares and the Class C Voting Common Shares, as a group.

For clarity, if there is no FY NAV Increase, the Board will not declare and pay any dividends on any class of shares.

Generally, (i) unrealized gains on the assets of the Company will not be used to determine funds available for the payment of dividends in cash, and (ii) any dividends payable in respect of unrealized gains on assets of the Company will be payable in the form of Preferred Shares of the Company.

The Dividend Distribution Policy does not create a binding obligation on the Board to declare or pay a dividend. The Dividend Distribution Policy will be reviewed at least annually by the Board in order to ensure that it continues to be consistent with the Company’s aspirations to create shareholder value.

### ***Wind-up, Liquidation***

Upon liquidation, dissolution or winding-up of the Company and prior to the distribution of the Company’s assets to the holders of common shares, the holders of the Class G Shares, Class H Shares and Class I Shares shall be entitled to receive an amount equal to the redemption price thereof, and any dividend declared thereon and unpaid.

## **5.2 Subscription Procedure**

The Preferred Shares are conditionally offered if, as and when Subscriptions are accepted by the Company and subject to prior sale. Subscriptions for Preferred Shares will be received by the Company subject to rejection or allotment in whole or in part and the Company reserves the right to close the subscription books at any time without notice.

This Offering is being made in accordance with certain statutory prospectus exemptions and, where applicable, registration exemptions, contained in securities legislation in the jurisdictions in which the Preferred Shares are being offered. Such exemptions relieve the Company from provisions under such statutes requiring the Company to file a prospectus and, in certain



cases, to utilize a registered securities dealer to sell the Preferred Shares. As such, Subscribers: (a) may not receive the benefits associated with the involvement of such registrants; and (b) will not receive 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.

The Preferred Shares are being offered on a continuous basis pursuant to exemptions from the prospectus and, where applicable, registration requirements of applicable securities legislation. To subscribe for Preferred Shares, Subscribers must agree to provide the Company with such information and to execute and deliver to the Company the form of Subscription Agreement (including the certificates, acknowledgements, questionnaires and other documents as the Company may request) in order to enable it to determine the availability of an exemption, including the following:

- (a) if the Subscriber is relying on “offering memorandum” exemption to the prospectus requirement in section 2.9 of NI 45-106 (the “**Offering Memorandum Exemption**”) and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, two copies of a Risk Acknowledgement Form (Form 45-106F4);
- (b) if the Subscriber is relying on the Offering Memorandum Exemption and the Subscriber is resident in or otherwise subject to the securities laws of Alberta, Ontario or New Brunswick:
  - (i) two copies of a Risk Acknowledgement Form (Form 45-106F4), and
  - (ii) if the Subscriber is an individual, two copies of Schedule 1 and Schedule 2 attached to the Risk Acknowledgement Form (Form 45-106F4). Subscribers investing more than \$10,000 in a 12-month period must meet the definition of “eligible investor”. Subscribers investing more than \$30,000 (but not more than \$100,000) in a 12 month period must meet the definition of “eligible investor” and have received suitability advice with respect to the investment from a portfolio manager, investment dealer or exempt market dealer. These limits do not apply to “accredited investors” (as defined in NI 45-106 or the *Securities Act* (Ontario)) or persons described in section 2.5 of NI 45-106 (however, such Subscriber must complete Schedule 1 and Schedule 2 attached to the Risk Acknowledgement Form (Form 45-106F4));
- (c) if the Subscriber is relying on the “accredited investor” exemption to the prospectus requirement in section 2.3 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Ontario or New Brunswick:
  - (i) the Subscriber must be an “accredited investor” as defined in NI 45-106 or section 73.3 (2) of the *Securities Act* (Ontario), and
  - (ii) if applicable, two copies of a Risk Acknowledgment Form for Individual Accredited Investors (Form 45-106F9);
- (d) if the Subscriber is relying on the “minimum investment” exemption (\$150,000) to the prospectus requirement in section 2.10 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Ontario or New Brunswick:
  - (i) the Subscriber is not an individual (as defined in applicable securities laws), and
  - (ii) the conditions of section 2.10 of NI 45-106 are satisfied;
- (e) if the Subscriber is relying on the “family, friends and business associates” exemption to the prospectus requirement in section 2.5 of NI 45-106 (subject to section 2.6.1 of NI 45-106 for Ontario residents) and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Ontario or New Brunswick:
  - (i) such supporting documentation that the Company or its legal counsel may request to establish the Subscriber’s qualification to rely on such exemption, and
  - (ii) if applicable, two copies of a Risk Acknowledgment Form (Form 45-106F12) (Ontario residents).

In addition to the foregoing, Preferred Shares may be issued pursuant to other available exemptions from the prospectus requirements of applicable securities legislation provided the conditions of such exemptions are satisfied.

Subscribers may subscribe for Preferred Shares by returning to the Company at 301 – 3450 Uptown Boulevard, Victoria, British Columbia, V8Z 0B9, the following:

- (a) a completed Subscription Agreement (including all applicable schedules, appendices, acknowledgements, certificates and other documents requested by the Company); and
- (b) a certified cheque, bank draft or wire transfer (instructions to be provided) payable to the Company, as applicable.

In accordance with the requirements of NI 45-106, the Company will hold the subscription monies advanced by each Subscriber in trust for the Subscriber until midnight on the second business day after the Subscription Agreement is signed by the Subscriber.

Subscriptions received will be subject to rejection or allotment by the Company in whole or in part in the Company's sole discretion. The Company is not obliged to accept any subscription. If any subscription is not accepted, the Company will promptly return to the Subscriber the Subscription Agreement and the money comprising such subscription. Confirmation of acceptance of a subscription will be forwarded to the Subscriber by the Company. The Company reserves the right to close the subscription books at any time without notice.

The Company intends to accept subscriptions for Preferred Shares on a continuous basis, on such days as the Company may determine from time to time. For convenience, subscription funds which are received by the Company prior to any acceptance date may be held in a separate bank account of the Company until subscriptions are accepted by the Company. The deposit of subscription funds by the Company into such bank account shall not constitute acceptance of the subscription for Preferred Shares in respect of which such funds have been delivered.

The Preferred Shares have not been and will not be registered under the *United States Securities Act* of 1933, as amended, and subject to certain exceptions, may not be offered or sold in the United States.

**All subscription documents should be reviewed by prospective subscribers and their professional advisers prior to subscribing for Preferred Shares.**

## **Item 6 - SUMMARY OF INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY**

### **General**

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

As each individual investor has unique income and financial backgrounds, the exact nature of the income tax consequences applicable to you, should you choose to purchase the offered securities, cannot be determined.

### **Eligibility for Investment**

The following discussion addresses whether the Preferred Shares are "qualified investments" for registered retirement savings plans, registered retirement income funds, registered education savings plans, and tax-free savings accounts (collectively, "**Registered Plans**"). The discussion is of a general nature and is not intended to be legal or tax advice to any specific person who is contemplating the acquisition of Preferred Shares.

The following discussion assumes that each prospective purchaser is at all material times resident in Canada for Canadian federal income tax purposes, deals at arm's length with the Company, is not affiliated with the Company, and holds Preferred Shares as capital property -- all within the meaning of the Tax Act. Preferred Shares will generally be considered to be capital property unless the shares are held in the course of carrying on a business or as an adventure in the nature of trade.

The following discussion also assumes the following facts in respect of the Company.

- (a) The Company is a British Columbia corporation that was incorporated under, and is and will at all times remain subject to, the *Business Corporations Act* (British Columbia).
- (b) The Company will at all times carry on a business of acquiring and developing Canadian real estate for resale and will hold all such real estate as inventory.
- (c) The Company will carry on its business activities solely in Canada.
- (d) The Company will not be controlled either at law or in fact by one or more non-residents of Canada.

**As the application of income tax law depends on the specific circumstances of each respective taxpayer, a prospective purchaser of Preferred Shares should obtain independent advice from the prospective purchaser's own professional advisers in order to obtain tax advice that is specific to that prospective purchaser's specific circumstances.**

### Discussion

In order for shares of the Company to be a qualified investment for Registered Plans under subsection 4900(14) of the Regulations (the "**Regulations**") to the Tax Act, the Company must at all times be a "specified small business corporation" as defined in subsection 4901(2) of the Regulations.

In order to be a "specified small business corporation", the Company must meet (and continue at all times to meet) the following requirements.

1. The Company must not be controlled either at law or in fact by one or more non-residents of Canada.
2. The Company must qualify as a "Canadian corporation".
3. The Company must use substantially all its assets (measured by fair market value) principally in an active business carried on primarily in Canada.

The CRA generally treats "substantially all" as meaning 90% and generally treats "principally" and "primarily" as meaning more than 50%.

The Company will qualify as a "Canadian corporation" provided that it does not continue into a jurisdiction outside of Canada. This discussion assumes that the Company will at no time be controlled at law or in fact by any one or more non-residents of Canada. Accordingly, the main issue is whether the Company will be using substantially all its assets principally in an active business carried on primarily in Canada.

A business will not be an active business if the principal purpose of the business is to earn income from the rental of real estate.

Based on the description of the business of the Company as set out in this Offering Memorandum, the Company will be carrying on an active business of developing Canadian real estate for resale. While this might involve the earning of incidental rental income, such incidental rental income is intended to be incidental to the primary activity of developing the real estate for resale. As a result, all real estate held by the Company will have to be categorized as inventory rather than as capital property and all profit realized by the Company will have to be categorized as business income rather than capital gains.

The Company could lose qualified investment status if circumstances change in the future, such as if the following changes occur in the future.

- (a) If the Company starts to develop real estate that is situated outside of Canada.
- (b) If the Company reports profits on dispositions of real estate as capital gains rather than as ordinary business income.
- (c) If the Company starts to earn rental income that is not merely incidental to its primary business activity of developing Canadian real estate for resale.

(d) If the Company starts to claim capital cost allowance (depreciation for income tax purposes) on any of its real estate.

It will be necessary for the Company to ensure that the Company complies with the active business requirements at all future times.

### **Restrictions on Share Ownership**

The shares of the Company will be subject to the “prohibited investment” rules in Part XI.01 of the Tax Act.

The “prohibited investment” rules refer to an individual who is a “controlling individual” in respect of a Registered Plan. An individual is a “controlling individual” in respect of a Registered Plan if the individual is the holder of the TFSA, a subscriber to or holder of the RESP, or the annuitant of the RRIF or RRSP. As “controlling individual” is defined in respect of the Registered Plan (not the Company), this commentary will refer to the “controlling individual” as the **Registered Plan Holder**.

Application of the prohibited investment rules depends on the relationship between the Registered Plan Holder and the Company.

The prohibited investment rules apply in the following circumstances.

(a) If the Registered Plan Holder has a “significant interest” in the Company. This means that the Registered Plan Holder must not own more than 10% of the issued shares of *any class* of the Company or of any other corporation that is related to the Company. This will include shares held by the Registered Plan Holder outside of the Registered Plan.

(b) If the Registered Plan Holder deals on a non-arm’s-length basis with the Company. The Registered Plan Holder will be deemed to deal with the Company on a non-arm’s-length basis if the Registered Plan Holder is related to the Company. It is a question of fact whether unrelated persons deal at arm’s-length. A Registered Plan Holder might deal with the Company on a non-arm’s-length basis if the Registered Plan Holder held significant sway over the Company and could in fact dictate the actions of the Company.

For the purpose of the prohibited investment rules, a Registered Plan Holder is deemed to own each share that is owned (whether inside or outside of a Registered Plan) by a person with whom the Registered Plan Holder does not deal at arm’s-length. As noted, related individuals are deemed to deal on a non-arm’s-length basis. It is a question of fact whether unrelated individuals deal on a non-arm’s-length basis.

In order to ensure that the shares are not prohibited investments for any specific Registered Plan, the Registered Plan Holder needs to be aware of all shares that are held by, or inside a Registered Plan of, each person who is either related to the Registered Plan Holder or who deals, as a matter of fact, on a non-arm’s-length basis with the Registered Holder.

### **Opinion**

Based on and subject to the foregoing, B. Dwyer Tax Lawyers Law Corporation (doing business as Dwyer Tax Law) is of the opinion that shares in the capital of the Company constitute “qualified investments” for Registered Plans (as defined above).

### **Item 7 - COMPENSATION PAID TO SELLERS AND FINDERS**

The Company may engage selling agents including registered securities dealers, exempt market dealers or, where permitted, non-registrants. The Company may pay a sales fee to such selling agents in an amount not to exceed 8% on all subscription monies received by such persons. The Company’s expectation is that the average sales fee paid will be approximately 4% of the subscription proceeds

## **Item 8 - RISK FACTORS**

The purchase of Preferred Shares involves a number of risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective Subscribers should consider the following factors.

### **Risks Related to COVID-19 and Other Public Health Crises**

Public health crises, including the ongoing health crisis related to the COVID-19 pandemic, or relating to any other virus, flu, epidemic, pandemic or any other similar disease or illness (each a “**Health Crisis**”) could adversely impact the Company, including through: a general or acute decline in economic activity in the Greater Victoria Area; increased unemployment, reduced immigration, closure of college and university campuses, household consolidation (young adults moving back in with their parents), supply shortages, mobility restrictions and other quarantine measures; increased government regulation, inability to access governmental programs or processes on a timely basis, efficacy of governmental relief efforts; and the quarantine or contamination of one or more of the Company’s properties. Contagion in a property or market in which the Company operates could negatively impact its occupancy, reputation or attractiveness of that market. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict the Company’s ability to complete a Full Cycle or enforce material provisions under its leases among other potential adverse impacts. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Company.

The current COVID-19 public health crisis has also resulted in increased volatility in financial markets. This may create difficulty in raising capital in debt and equity markets, especially during periods of increased COVID-19 transmission, which could in turn adversely impact the Company’s strategy. While various governments and central banks announced or implemented a range of measures targeted to alleviate these impacts and encourage economic growth, many of these measures have expired or been terminated. In the medium to long term, government debt accumulated as a result of relief measures may lead to tax increases for consumers and businesses. The ongoing impact of the COVID-19 pandemic on the Company remains unknown at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19-related impacts on the financial results and operations of the Company.

### **Investment Risk**

#### ***This is a Blind Pool Offering***

This is primarily a “blind pool” Offering. The Company expects that the available net proceeds of the Offering will be applied by the Company to directly purchase additional properties. Except as otherwise disclosed herein, the specific additional properties in which the Company may invest have not yet been fully determined. In addition, the Company may use a portion of the available net proceeds of the Offering to pay the Redemption Amount Per Preferred Shares for Preferred Shares tendered for redemption. Further, a portion of the proceeds may also be used to pay: (a) down mortgage financing on a specific property or group of properties; (b) capital expenditure on a specific property or properties; and (c) due diligence and documentation costs relating to such property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to acquisitions.

#### ***No Market for Preferred Shares***

There currently is no market whatsoever for the Preferred Shares and it is not anticipated that any market will develop. The Company does not currently intend to seek a listing of the Preferred Shares on a stock exchange or similar trading market. Consequently, holders of such securities may not be able to sell them readily, and Preferred Shares may not be readily accepted as collateral for a loan. Subscribers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Preferred Shares is suitable solely for persons able to make and bear the economic risk of a long-term investment.

#### ***Highly Speculative***

The purchase of Preferred Shares is highly speculative. A potential Subscriber should buy them only if it is able to bear the risk of the entire loss of its investment and has no need for immediate liquidity. An investment in the Preferred Shares should not constitute a major portion of a Subscriber’s portfolio.

### ***No Guaranteed Return***

There is no representation made by the Company that an investment in the Company will have a guaranteed return to Subscribers, nor that losses will not be incurred by the Company. The return on an investment in the Preferred Shares is not comparable to the return on an investment in a fixed-income security. This Offering is not suitable for Subscribers who cannot afford to assume significant risks in connection with their investments.

### ***Absence of Voting Rights***

The Preferred Shares do not carry voting rights. Consequently, a Subscriber's investment in the Preferred Shares does not carry with it any right to control management of the Company, including the election of directors.

### ***Risks Associated with Redemptions***

#### ***Use of Available Cash***

The payment in cash by the Company of the Redemption Amount Per Preferred Share will reduce the amount of cash available to the Company.

#### ***Determination of Redemption Amount Per Preferred Share***

The Redemption Amount Per Preferred Share is calculated based on the provisions of the Company's Articles, including the use of reasonable estimates and assumptions. There is a risk that the Redemption Amount Per Preferred Share calculated by the Board may not accurately reflect the true value of the Preferred Shares. Holders of Preferred Shares may not have any recourse against the Company or the Board in this respect.

#### ***Limitation of Redemptions***

The Board will determine, in its sole discretion, whether sufficient funds are available to the Company for the redemption of any Preferred Shares, and if the Board determines, in its sole discretion, that sufficient funds are not available to pay for the redemption of any Preferred Shares, then the redemption of the Preferred Shares shall be delayed until the Board determines that sufficient funds are available. Preferred Shares are not redeemable if the Company is insolvent or if the redemption of such Preferred Shares would render the Company insolvent. In any Financial Year, the Company will not be required to redeem any Preferred Shares in excess of 10% of the total number of Preferred Shares issued and outstanding on the first day of such Financial Year, unless otherwise agreed to by the Board, in its sole discretion.

### ***Marketability of Preferred Shares***

There is currently no market for the Preferred Shares and it is not anticipated that any market will develop. Securities legislation, rules, policies and other requirements may prohibit or restrict transferability of the Preferred Shares. Consequently, holders of Preferred Shares will not be able to resell their Preferred Shares. See Item 10 - "Resale Restrictions".

### ***Company Risk***

#### ***Sale of Properties***

There is no assurance that the Company will be able to execute its acquisition, renovation, development and resale strategy on a profitable basis or at all. The Company may be unable to sell properties at the values that management expects. There are a variety of market forces including, but not limited to, trade availability, supply chain disruption, supply and demand of inventory, strength of the local economy and interest rate adjustments which may materially affect the Company's operations and business. Any delays or inability to sell or acquire properties will have material adverse effects on the financial position of the Company.

#### ***Technology***

The Company has relied on its access to innovative Software, through its Licensing Agreement, to formulate its strategic property acquisition program. There is no assurance that use of the Software will result in a successful property acquisition program in the Greater Victoria Area. The Software is subject to the License Agreement under which the Company is

licensee. There is no guarantee that the Company will have continued access to the Software in the event that the License Agreement is terminated. Negotiation of a new license may not be possible or economically viable. If the Software becomes unavailable to the Company, there can be no assurance that the Company's property program acquisition program will be able to continue as projected, if at all.

### ***Reliance on Key Personnel***

Recruiting and retaining qualified personnel is critical to the Company's success. The Company is dependent on the services of key executives and other highly skilled and experienced executives and personnel focused on managing the Company's interests. The loss of the Company's officers, other employees, advisors or consultants could have a material adverse effect on the Company. The Company's success depends, in part, on its ability to attract and retain key technical, management and operating personnel, including consultants and members of the Company's board of directors. The Company needs to develop sufficient expertise and add skilled employees or retain consultants in areas such as research and development, business management and marketing in order to successfully execute its business plan. The Company may be unable to attract and retain qualified personnel or develop the expertise needed in these areas. If the Company fails to attract and retain key personnel it may be unable to execute its business plan, or its business could be adversely affected.

### ***Uninsured Losses***

The Company arranges for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to the properties and endeavours to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to one or more of the properties, the Company could suffer a loss of capital invested and not realize any profits which might be anticipated from the ownership of the properties.

### ***Tax Matters***

The return on the Shareholders' investment in the Preferred Shares is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Shareholders of acquiring, holding or disposing of Preferred Shares.

For Preferred Shares that are held outside a tax-deferred Registered Plan (such as the Registered Plans described in Item 6 – "Summary of Income Tax Consequences and RRSP Eligibility"), Shareholders might be required to include amounts in their taxable income even if they have not received a cash distribution. This could also be the case for Preferred Shares held inside a Registered Plan if Registered Plans were to lose their tax-deferred status.

For shares held inside Registered Plans, eligibility of the Preferred Shares as "qualified investments" for Registered Plans depends on various facts that are described in Item 6 – "Summary of Income Tax Consequences and RRSP Eligibility". Those facts include the manner in which the Company operates its business. If the nature of the Company's business changes, the Preferred Shares might cease to be "qualified investments" for Registered Plans.

There can be no assurances that the CRA will agree with the tax treatment adopted by the Company in filing its tax return. The CRA could reassess the Company on a basis that results in tax being payable by the Company, thereby reducing the after-tax returns to Shareholders, or that results in the Preferred Shares not being "qualified investments" for Registered Plans.

### ***Current and Future Economic Environment***

Continued concerns and uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of unemployment, volatile energy costs, geopolitical issues, supply chain issues, health events such as pandemics (including COVID-19), and the availability and cost of credit may contribute to increased market volatility and weakened business and consumer confidence. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown experienced by Canada as a whole, by the local

economies where the Company's properties are located or by the real estate industry in particular, and their effects could materially and adversely affect the Company's ability to generate revenues, thereby potentially reducing its future operating income and earnings. A difficult operating environment could also have a material adverse effect on the ability of the Company to acquire and conduct renovations at the properties or secure future tenants, which could harm the Company's financial condition. Under such economic conditions, the Company's tenants may be unable to meet their rental payments and other obligations due to the Company, which could have a material adverse effect on the Company's financial position.

In respect of the Company's real estate purchases, the Company is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its purchases, or the number of investors seeking to acquire properties decreases, the value of the Company's investments may not appreciate or may depreciate. Accordingly, the Company's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

Increased inflation could have a more pronounced negative impact on any variable rate debt the Company is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, annual allowable rent increases as may be provided for in any of the Company's leases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Company's tenants. This may adversely affect the tenants' ability to pay rent, which could negatively affect the Company's financial condition. Additionally, increased inflation may result in increased prices for raw materials such as lumber or iron, which could adversely impact the costs of conducting renovations.

#### ***Vacancy Rates of Properties***

The Company's properties are, from time to time, susceptible to high vacancy rates. The Company's operations will be adversely affected if a significant number of tenants of the properties were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties is not able to be leased on economically favourable lease terms.

#### ***Interest Rate Fluctuations***

A decrease in interest rates may encourage tenants to purchase condominiums or other types of housing, which could result in a reduction in demand for rental properties but increased demand in home ownership. Changes in the interest rates may also have effects on vacancy rates, rent levels, repositioning costs, sales prices and other factors affecting the Company's business and profitability. The mortgage loans arranged by the Company may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Company's cost of borrowing.

#### ***Revenue Shortfalls***

Revenues from the properties may not increase sufficiently to meet increases in operating expenses or debt service payments under mortgages or to fund changes in the variable rates of interest charged in respect of such loans.

#### ***Potential Conflicts of Interest***

The directors and officers of the Company may and in certain cases do serve as directors and/or officers of other private companies, and may devote a portion of their time to manage other business interests. Robert Nicholas Green (a director and officer of the Company) is also Vice President of Strategy at Parametric Homes. Mr. Anderson is an employee of Parametric Homes. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. There is no assurance that the needs of the Company will receive priority in all cases.



## ***Cybersecurity***

In the ordinary course of the Company's business, the Company collects, stores, processes and/or transmits sensitive data belonging to subscribers, Shareholders, purchasers, vendors, tenants, employees and contractors, as well as, proprietary business information and intellectual property of the Company. The secure processing, maintenance and transmission of this information is critical to the business of the Company. The Company has implemented a secure operating framework which includes policies and governance, prevention and detection technologies, backup and recovery processes and other procedures and technology in the protection of its data, software and infrastructure assets from loss, theft, unauthorized access, vandalism, cyber-attacks, or events such as power outages or surges, floods, fires or other natural disasters. Despite such security measures, data, systems and infrastructure may be vulnerable to cyber-attacks or breached due to employee error, malfeasance or other disruptions. These security breaches could materially compromise information, disrupt business operations or cause the Company to breach obligations, thereby exposing the Company to liability, reputational harm and/or significant remediation costs. A theft, loss, corruption, exposure, fraudulent use or misuse of information whether by third parties or as a result of employee malfeasance could result in significant remediation and other costs, fines, litigation or regulatory actions against the Company, as well as, cause reputational harm, negatively impact the Company's competitive position and affect financial results.

## **Industry Risk**

### ***Risks of Real Estate Investment***

Investment in real estate is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general or local conditions, failure of tenants to pay rent, changes in neighbourhood property values, interest rates, availability of mortgage funds, increases in real estate tax rates and other operating expenses, the possibility of competitive overbuilding and of the inability to obtain tenants, changing governmental rules and fiscal policies, including rent control legislation, which limit potential rent increases, and other events and factors which are beyond the control of the Company.

There is no assurance that the Company will be able to obtain sufficient mortgage financing to finance the acquisition of real estate investments, or on commercially acceptable terms, or that any such mortgage financing will be renewed upon maturity or, if renewed, renewed on the same terms and conditions (including the rate of interest). Completion of a Full Cycle may not generate sufficient funds to service existing mortgages taken out in respect of the properties. If a default occurs, a property could be foreclosed upon.

### ***Illiquidity of Real Estate and Concentration of Portfolio***

Investments in real estate properties are relatively illiquid. Such illiquidity will tend to limit the Company's ability to change its portfolio promptly in response to changing economic or market conditions. As the Company's properties are concentrated in the Greater Victoria Area, the Company will be subject to economic and market conditions specific to that region.

### ***Market & Regulatory Risks***

The economic performance and value of the Company's properties acquired by it will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- changes in the national, regional and local economic climate;
- local conditions, including a reduction in demand for properties like the properties acquired by the Company;
- the attractiveness of the properties acquired by the Company to purchasers and renters;
- competition from other available similar projects; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

### ***Competition***

The Company competes with other investors and owners of properties similar to those to be acquired by the Company in the surrounding areas. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the Company. The existence of competing parties could have a material adverse effect on the revenues or profitability of the Company and its ability to meet its debt obligations.

### ***Potential Liability under Environmental Protection Legislation***

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the owner of real estate properties or its related entities could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the properties. The failure to remove or remediate such substances, if any, may adversely affect the Company's ability to sell such a property or to borrow using a property as collateral.

### ***Climate Change***

The Company and its properties may be exposed to risks associated with the physical effects of climate change, such as natural disasters and increasingly frequent and serious weather conditions. Such events could interrupt the Company's operations and activities, damage its properties, diminish demand and require the Company to incur additional expenses, including in respect of insurance, materials and energy costs. Climate change may also have indirect effects on the Company's business by increasing the cost of (or making unavailable) property insurance on terms the Company finds acceptable, as well as increasing the cost of renovations, energy, water and other services at its properties. Although the Company cannot predict with certainty the rate at which climate change is occurring and the physical effects of climate change on its properties and operations, the Company's financial position and results from operations could be adversely affected by the materialization of any of the risks identified herein related to climate change.

### ***Strata Politics and Insurance***

Strata fees have been increasing in recent years partly due to increasing costs associated with obtaining strata insurance. If strata fees continue to increase, this could have an adverse impact on the marketability and resale value of the Company's properties.

Strata units are also subject to bylaws as set by the property's strata council. These bylaws are subject to change, which may adversely impact the marketability and resale value of the property.

### ***Market Disruption and Geopolitical Risk***

Geopolitical, environmental and other events may disrupt securities markets and adversely affect global economies and markets. These disruptions could prevent or affect the Company from implementing its investment policies and achieving its investment objectives, and increase the Company's exposure to the other risks detailed in this Offering Memorandum. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region might adversely affect markets, issuers, and/or foreign exchange rates in other countries, including Canada. War, terrorism, public health crises, and geopolitical events, such as sanctions, tariffs, trade disputes, conflicts, the imposition of exchange controls or other cross-border trade barriers, have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on North American and world economies and markets generally.

**For all of the aforesaid reasons and others set forth and not set forth herein, the Preferred Shares involve a certain degree of risk. Any person considering the purchase of the Preferred Shares should be aware of these and other factors set forth in this Offering Memorandum and should consult with his/her/its legal, tax and financial advisors prior to making an investment in the Preferred Shares. The Preferred Shares should only be purchased by persons who can afford to lose all of their total investment.**

## Item 9 - REPORTING OBLIGATIONS

### 9.1 Documents

The Company is not a “reporting issuer” as defined in the applicable securities legislation, and is not subject to continuous disclosure obligations under such legislation. Financial statements of the Company will be reported on by its auditors on an annual basis and will be made available to shareholders of the Company in accordance with the provisions of the *Business Corporations Act* (British Columbia) and other applicable laws as they may apply from time to time. Additionally, holders of Preferred Shares may receive a notice of meeting to attend the Company’s annual general meeting of holders of Common Shares held each year. However, such invitation and attendance will not confer upon such holders of Preferred Shares any voting rights. **Other than the documents described above, the Company is not required to send you any documents on an annual or ongoing basis.**

### 9.2 Availability of Information

This Offering Memorandum and certain other documents about the Company are available on the British Columbia Securities Commission website at [www.bcsc.bc.ca](http://www.bcsc.bc.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Item 10 - 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 securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Company becomes a reporting issuer in any province or territory of Canada. The Company does not intend to become a reporting issuer at any time, with the result that the Shareholders may never be able to trade or re-sell their Preferred Shares.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless: (a) the Company has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

**The Company has no current intention of becoming a reporting issuer in any jurisdiction and therefore the foregoing restriction on trading will continue indefinitely (subject to the availability of certain limited exemptions which may not apply in the circumstances).**

## Item 11 - PURCHASERS’ RIGHTS

If you purchase the Preferred Shares you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

### 11.1 Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Preferred Shares. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the Preferred Shares.

### 11.2 Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the offering jurisdictions provide you with a remedy to sue to cancel your agreement to buy the Preferred Shares or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a “**misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew

of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable statutory rights are summarized below. Subscribers should refer to the applicable securities laws of their respective offering Jurisdiction for the particulars of these rights or consult with professional advisors.

#### **Investors in British Columbia**

If you are a resident in British Columbia and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Preferred Shares; or
- (b) for damages against the Company, every director of the Company at the date of this Offering Memorandum, every person whose consent to disclosure of information in this Offering Memorandum was filed, and every person who signed this Offering Memorandum.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action or commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (b) three years after the transaction that gave rise to the cause of action.

#### **Investors in Alberta**

If you are a resident in Alberta and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

- (c) the Company to cancel your agreement to buy the Preferred Shares; or
- (d) for damages against the Company, every director of the Company at the date of this Offering Memorandum, and every person or company who signed this Offering Memorandum.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action or commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (b) three years after the transaction that gave rise to the cause of action.

## **Investors in Ontario**

If you are a resident of Ontario and there is a misrepresentation in this Offering Memorandum, together with any amendment to it, you have a statutory right to sue:

- (e) the Company to cancel your agreement to buy the Preferred Shares; or
- (f) for damages against the Company.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Preferred Shares. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action.

You must commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (b) three years after the date of the transaction that gave rise to the cause of action.

A misrepresentation is defined in the *Securities Act* (Ontario) as an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary in order to make any statement therein not misleading in light of the circumstances in which it is made. A material fact, when used in relation to securities issued or proposed to be issued, is defined in the *Securities Act* (Ontario) as a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.

***You should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.***

***You should consult your own legal advisers with respect to your rights and the remedies available to you. The rights discussed above are in addition to and without derogation from any other rights or remedies, which you may have at law.***

**THE SECURITIES LAWS OF ALBERTA, BRITISH COLUMBIA AND ONTARIO ARE COMPLEX. THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.**

**Item 12 - FINANCIAL STATEMENTS**

See attached.

PARAMETRIC PROPERTIES INC.

Financial Statements.

From the year ended November 30, 2021

**PARAMETRIC PROPERTIES INC.**  
**Index to Financial Statements**  
**November 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders of Parametric Properties Inc.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Parametric Properties Inc. (the "Company"), which comprise the statements of financial position as at November 30, 2021 and 2020 and the statements of loss and comprehensive loss, statements of changes in equity (deficiency) and statements of cash flows for the year ended November 30, 2021 and the period from incorporation on November 23, 2020 to November 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2021 and 2020, and its financial performance and its cash flows for the year ended November 30, 2021 and the period from incorporation on November 23, 2020 to November 30, 2020 in accordance with International Financial Reporting Standards (IFRS).

#### 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 *Auditor's 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 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.

#### Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Parametric Properties Inc.'s ability to continue as a going concern.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 related 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.

## Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 auditor's 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 auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.

We communicate 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mickey Goldstein

Vancouver, British Columbia  
March 29, 2022

*HARBOURSIDE CPA LLP*  
Harbourside CPA, LLP  
Chartered Professional Accountants

**Parametric Properties Inc.**

## Statements of Financial Position

As at November 30, 2021 and 2020

(Expressed in Canadian Dollars)

	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 233,850	\$ 10
Prepaid expenses and deposits (Note 6)	75,655	-
Inventory (Note 5)	2,379,868	-
	<u>\$ 2,689,373</u>	<u>\$ 10</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 11)	\$ 38,932	\$ 1,986
<b>Non-current liabilities</b>		
Mortgage payable (Note 7)	400,000	-
	<u>438,932</u>	<u>1,986</u>
<b>Shareholders' equity (deficit)</b>		
Share capital (Note 8)	2,346,586	10
Accumulated deficit	(96,145)	(1,986)
	<u>2,250,441</u>	<u>(1,976)</u>
	<u>\$ 2,689,373</u>	<u>\$ 10</u>

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board of Directors on March 29, 2022:

“R. Nic Green”  
 \_\_\_\_\_  
**Director (Signed)**

“Will Anderson”  
 \_\_\_\_\_  
**Director (Signed)**

The accompanying notes are an integral part of these financial statements

**Parametric Properties Inc.**

## Statement of Loss and Comprehensive Loss

For the Year end November 30, 2021 and the Period from Incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

	Year ended November 30, 2021	Period from incorporation on November 23, 2020 to November 30, 2021
<b>Expenses</b>		
Administrative fees and other	\$ 5,603	\$ -
Consulting and advisory expenses (Note 11)	33,491	-
Finance expense (Note 7)	20,767	-
Professional fees	41,544	1,986
<b>Operating loss</b>	<b>(101,405)</b>	<b>(1,986)</b>
Rental income (net)	7,246	-
<b>LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (94,159)</b>	<b>\$ (1,986)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.79)</b>	<b>\$ (1.99)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>	<b>119,289</b>	<b>1,000</b>

The accompanying notes are an integral part of these financial statements

# Parametric Properties Inc.

## Statements of Shareholders' Equity (Deficit)

For the year ended November 30, 2021 and the Period from Incorporation on November 23, 2020 to November 30, 2021

(Expressed in Canadian Dollars)

	Number of Class "A" common shares outstanding	Number of Class "B" common shares outstanding	Number of preferred shares outstanding	Share capital	Accumulated Deficit	Total
<b>Balance at November 23, 2020</b>	-	-	-	\$ -	\$ -	\$ -
Common shares issued	566	434	-	10	-	10
Loss for the period	-	-	-	-	(1,986)	(1,986)
<b>Balance at November 30, 2020</b>	<b>566</b>	<b>434</b>	<b>-</b>	<b>\$ 10</b>	<b>\$ (1,986)</b>	<b>\$ (1,976)</b>
<b>Balance at December 1, 2020</b>	566	434	-	\$ 10	\$ (1,986)	\$ (1,976)
Preferred shares issued	-	-	249,923	2,499,230	-	2,499,230
Share issuance cost	-	-	-	(2,654)	-	(2,654)
Share subscriptions receivable	-	-	-	(150,000)	-	(150,000)
Loss for the year	-	-	-	-	(94,159)	(94,159)
<b>Balance at November 30, 2021</b>	<b>566</b>	<b>434</b>	<b>249,923</b>	<b>\$ 2,346,586</b>	<b>\$ (96,145)</b>	<b>\$ 2,250,441</b>

The accompanying notes are an integral part of these financial statements

## Parametric Properties Inc.

### Statements of Cash flows

For the year ended November 30, 2021 and the Period from Incorporation on November 23, 2020 to November 30, 2021

(Expressed in Canadian Dollars)

	Year Ended November 30, 2021	Period from Incorporation on November 23, 2020 to November 30, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss	\$ (94,159)	\$ (1,986)
Items not involving cash:		
Mortgage interest	20,767	-
Non-cash working capital item changes:		
Inventory	(2,379,868)	-
Accounts payable and accrued liabilities	36,946	1,986
Prepaid expenses	(75,655)	-
Net cash provided (used) by operating activities	(2,491,969)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Founders' shares issued	-	10
Preferred shares issued	2,349,230	-
Share issuance costs	(2,654)	-
Mortgage interest payments	(20,767)	-
Proceeds from mortgage	400,000	-
Net cash used in financing activities	2,725,809	10
<b>Change in cash during the year</b>	<b>233,840</b>	<b>10</b>
<b>Cash, beginning of the year</b>	<b>10</b>	<b>-</b>
<b>Cash, end of the year</b>	<b>\$ 233,850</b>	<b>\$ 10</b>

Supplementary cash flow information (Note 12)

The accompanying notes are an integral part of these financial statements

# Parametric Properties Inc.

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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## 1. Nature of Operations and Going Concern

Parametric Properties Inc. (the “Company”) was incorporated on November 23rd, 2020 under the Business Corporations Act (British Columbia). The Company’s business is assessing undervalued properties and targeting them for renovations to resell at a profit. The Company’s head office is located at 301 – 3450 Uptown Boulevard Victoria, British Columbia, Canada.

These financial statements have been prepared on the basis of accounting principles applicable to going concern, which assumed that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions may cast significant doubt about the Company’s ability to continue as a going concern. At November 30, 2021, the Company has accumulated losses of \$96,145 since inception and negative operating cash flow of \$2,491,969 and will continue to incur further losses in the development of its business. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing required to maintain its operations. Management expects the Company to continue as a going concern and plans to meet any financing requirements through equity financing, selling its inventory of property units, and pursuing opportunities to expand the Company’s operations. The outcome of these matters cannot be predicted at this time and there are no assurances that the Company will be successful in achieving its goals. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. These adjustments could be material.

The application of the going concern concept is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the renovations of its properties and resell them at a profit. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in federal and provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to businesses resulting in an economic slowdown. The governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

In the preparation of these financial statement, the Company has incorporated the potential impact of COVID-19 into its estimates and assumption, that affect the carrying amounts of its assets and liabilities, and the reported amount of its results, using the best available information as of November 30, 2021. Actual results could differ from those estimates.

It is not possible to forecast with certainty the duration and full scope of the economic impact of COVID-19 and other consequential changes it will have on the Company’s business and operations, both in the short-term and in the long-term.

## **Parametric Properties Inc.**

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### **2. Basis of Preparation**

#### **(a) Statement of compliance:**

These financial statements were approved and authorized for issue by the Board of Directors' on March 29, 2022.

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

#### **(b) Basis of measurement**

These financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out in the notes of the financial statements have been applied consistently at all periods presented in these financial statements as if the policies have always been in effect.

#### **(c) Functional and presentation currencies**

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

### **3. First Time Adoption of International Financial Reporting Standards**

#### **Transition to IFRS**

The Company has adopted IFRS effective December 1, 2020 with a transition date of November 23, 2020 (the "Transition Date"). Prior to the adoption of IFRS, the Company prepared its financial statements in accordance with Part II of the Canadian Institute of Chartered Professional Accountants ("CPA") Accounting Handbook Accounting Standards for Private Enterprises ("ASPE").

The comparative information presented in these first annual consolidated financial statements for the period from incorporation on November 23, 2020 to November 30, 2020 and the opening financial position as at November 23, 2020 have been prepared in accordance with the accounting policies referenced in Note 4 and IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1").

#### **Initial elections upon adoption**

The Company adopted IFRS in accordance with IFRS 1 which requires the retrospective application of IFRS at the Transition Date with all adjustments to assets and liabilities taken to deficit, subject to mandatory exceptions and the application of optional exemptions. There have been no IFRS 1 exceptions applied in the conversion from ASPE to IFRS by the Company.



## **Parametric Properties Inc.**

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### **3. First Time Adoption of International Financial Reporting Standards (continued)**

#### **Estimates**

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition Date are consistent with estimates made at the same date under ASPE.

#### **Reconciliation between Canadian ASPE and IFRS**

Upon the adoption of IFRS there have been no impacts to the Company's statement of financial position as at November 23, 2020 and November 30, 2020, loss and comprehensive loss for the period from incorporation on November 23, 2020 to November 30, 2020, and the statement of cash flows for the period from incorporation on November 23, 2020 to November 30, 2020.

### **4. Significant Accounting Policies**

#### **Cash**

Cash consists of cash held at financial institutions.

#### **Inventory**

Inventory consist of real estate properties and are valued at the lower of cost and net realizable value. Costs are assigned to specific properties on the specific identification of cost basis.

Cost includes all costs of acquisition, cost of renovations and development and other costs incurred in bringing the property to the condition where it is ready for sale.

#### **Leases**

The Company as a lessee:

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement of the lease, and any initial costs. They are then subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset, and are tested for impairment in accordance with IAS 36, Impairment of Assets ("IAS 36").

The lease liability is initially measured at the present value of the future lease payments, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate at the lease commencement date. The Company subsequently measures the lease liability by increasing the carrying amount to reflect the interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

# Parametric Properties Inc.

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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## 4. Significant Accounting Policies (continued)

Interest on the lease liability is recognized in financial expenses within the income statement. The total amount of cash payments in relation to lease payments is separated into a principal portion and interest, presented within financing activities in the statement of cash flows.

The Company as a lessor:

The Company has entered into lease agreements a number of its properties held in inventory.

At inception of a contract, the Company determines whether each lease is a finance lease or operating lease, by reference to the transfer of all risks and rewards in connection to ownership of the underlying asset. In the case of a finance lease, the Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

Under operating leases, the Company recognizes the income generated by the lease on an accrual basis over the life of the contract.

### Earnings Per Share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

### Income taxes

Income taxes in the years presented are comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Deferred tax is recognized using the statement of financial position asset and liability method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future tax profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that affects neither accounting profit nor taxable profit.

# **Parametric Properties Inc.**

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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## **4. Significant Accounting Policies (continued)**

### Critical Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

### ***Judgements***

Going concern assumptions

When preparing the financial statements, management is required to make an assessment of the Company's ability to continue as a going concern. When management is aware, in making this assumption, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, the Company shall disclose those uncertainties. In assessing whether the going concern assumption is appropriate, management has taken into account all available information about the future, which is at least, but no limited to, twelve months from the statement of financial position date.

### ***Estimates***

The key assumptions concerning the future and other key sources of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

# Parametric Properties Inc.

## Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### 4. Significant Accounting Policies (continued)

#### Financial Instruments

##### *Measurement – initial recognition*

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

##### *Classification – financial assets*

##### *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 the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method, and is recognized in interest and other income, on the statement of loss and comprehensive loss.

The Company's financial assets classified as amortized costs include prepaid expenses.

##### *Fair Value Through Other Comprehensive Income ("FVOCI")*

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 selling financial assets, and that the contractual terms of the financial assets give rise on a 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 it equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation as FVOCI 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. Investment in equity instruments at FVOCI 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.

## Parametric Properties Inc.

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### 4. Significant Accounting Policies (continued)

The Company currently has no financial assets designated as FVOCI.

Fair Value Through Profit of Loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL, which includes cash.

#### *Classification – financial liabilities*

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized costs using the effective interest method.

Financial liabilities at amortized cost include accounts payable and mortgage payable.

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 loss and comprehensive loss. The Company has not designated an financial liabilities as FVTPL.

The Company has no hedging arrangements and does not apply hedge accounting.

The classification and measurement bases of the Company's financial instruments are as follows:

<b>Financial Instrument</b>	<b>Classification</b>
Cash	FVTPL
Accounts payable	Amortized cost
Mortgage payable	Amortized cost

#### *Impairment*

The Company recognized a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

#### Share Capital

Common shares issued by the Company are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any related income tax effects.

#### Preferred Share Capital

Preferred shares issued by the Company are classified as equity. Transaction costs directly attributable to the issue of preferred shares are recognized as a deduction from equity, net of any related income tax effects.

# Parametric Properties Inc.

## Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### 4. Significant Accounting Policies (continued)

#### Revenue Recognition

(i) Property sales

Revenue from the sale of property is recognized at the point of time that the property passes to the customer which is generally when the customer then has the ability to direct the use and obtain substantially all of the benefits of the respective property. Revenue is measured at the transaction price agreed to under the contract.

(ii) Rental revenue:

Rental revenues are recognized in other income on a straight-line basis over the lease term subject to collectability being reasonably assured.

#### New Standards, Interpretations and Amendments not yet Adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective as at November 30, 2021, and have not been applied in preparing the financial statements. None of these are expected to have an effect on the financial statements of the Company.

### 5. Inventory

The balance of inventory is composed of the following real estate properties:

On April 15, 2021 the Company acquired the property #405-620 Toronto Street in Victoria, BC. The purchase price was \$464,900 plus standard costs and adjustments. After accounting for renovations and additional cost the property has a book value of \$479,407. The property was secured by a mortgage of \$400,000.

On May 27, 2021 the Company acquired the property #209-105 Gorge Road in Victoria, BC. The purchase price was \$400,000 plus standard costs and adjustments. After accounting for renovations and additional costs, the property has a book value of \$455,052.

On June 30, 2021 the Company acquired the property #705-1020 View Street in Victoria, BC. The purchase price was \$498,000 plus standard costs and adjustments. After accounting for renovations and additional costs, the property has a book value of \$599,981.

On September 7, 2021 the Company acquired the property #409-75 Gorge Road in Victoria, BC. The purchase price was \$407,000 plus standard costs and adjustments. After accounting for renovations and additional costs, the property has a book value of \$455,273.

On September 28, 2021 the Company acquired the property #512-71 Gorge Road in Victoria, BC. The purchase price was \$376,000 plus standard costs and adjustments. After accounting for renovations and additional costs, the property has a book value of \$390,155.

## **Parametric Properties Inc.**

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### **5. Inventory (continued)**

The amount of inventory recognized as an expense for the year ended November 30, 2021 totaled \$Nil (2020 - \$Nil).

### **6. Prepaid Expenses and Deposits**

On August 3, 2021 the Company paid three 5% deposits of \$24,995 to secure the right to purchase three condos at the Triple Crown Properties development on Whirlaway Crescent, Victoria British Columbia for a total of \$74,985.

The remaining portion of prepaid expenses and deposits of \$670 relates to prepaid property taxes on the Company's properties.

### **7. Mortgage Payable**

On May 26, 2021, the Company obtained a mortgage for gross proceeds of \$400,000 secured against #405-620 Toronto Street, Victoria British Columbia. The mortgage bears interest of 10% per annum and had a maturity date of August 31, 2021. The payments under the mortgage are \$3,333 per month.

The mortgage was subsequently amended to extent the maturity date from August 31, 2021 to December 15, 2021.

During the year ended November 30, 2021, the Company incurred interest expense of \$20,767 related to the mortgage interest payable.

### **8. Share Capital**

#### Authorized Share Capital

The Company's authorized share capital consists of:

- Unlimited                      Class "A" common shares, voting, no par value
- Unlimited                      Class "B" common shares, voting, no par value
- Unlimited                      Preferred shares, non-voting, non-redeemable, no par value.

The following are the share capital transactions for the year ended November 30, 2021:

- The Company issued 249,923 preferred shares to various investors, at a price of \$10 per share, for gross proceeds of \$2,499,230, of which \$150,000 is receivable as at November 30, 2021.

## Parametric Properties Inc.

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

### 8. Share Capital (continued)

The following are the share capital transactions for the period from incorporation on November 23, 2020 to November 30, 2020:

- The Company issued 566 Class A voting common shares to a founder and director, at a price of \$0.01 per share, for a gross proceeds of \$6.
- The Company issued 434 Class B voting common shares to a founder and director, at a price of \$0.01 per share, for gross proceeds of \$4.

#### Split Profit Share Plan

The Company has established a split profit share plan (the "Plan"), in which after a 6 % return on investment, common shares receive 50% of all additional accumulated profits.

### 9. Financial Instruments

The fair values of the Company's accounts payable and mortgage payable approximate their carrying values because of the short-term nature of these instruments. Cash is recorded at fair value using level 1 inputs.

IFRS 7 - *Financial Instruments: Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 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 for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at November 30, 2021:

Fair Value Measurements Using				
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash	\$ 233,850	-	-	\$ 233,850

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of November 30, 2021.



## **Parametric Properties Inc.**

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### **9. Financial Instruments (continued)**

#### Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable.

#### Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

##### **a. Interest Rate Risk**

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no variable interest-bearing borrowings.

##### **b. Price Risk**

The Company is exposed to price risk with respect to market real estate prices. The Company's ability to raise capital to fund due diligence and evaluation activities is subject to risks associated with fluctuations in the market price of market real estate prices.

## Parametric Properties Inc.

Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

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### 10. Capital Risk Management

#### Capital Management

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern. The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk of characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common or preferred shares, borrow and acquire or dispose of assets. In order to maximize ongoing due diligence and real estate value efforts, the Company does not pay out dividends at this time. The Company's policy is to invest its excess cash, if any, in highly liquid, short-term, interest-bearing investments with maturities of one year or less from the date of acquisition.

### 11. Related Parties

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and its executive officers.

Key management provided consultancy and advisory services and charged the Company \$33,491 throughout the year.

As at November 30, 2021, the Company had \$2,889 (2020 - \$Nil) owing to a director for reimbursement of expenses.

As at November 30, 2021, \$7,240 (2020 - \$Nil) was included in account payable and accrued liabilities owing to a director for consulting fees.

As at November 30, 2021, \$Nil (2020 - \$1,986) was owing to a director for reimbursement of expenses.

### 12. Supplementary Cash Flow Information

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	2021	2020
Interest paid	\$ 20,767	\$ -
Taxes paid	-	-

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## Parametric Properties Inc.

### Notes to the Financial Statements

For the year ended November 30, 2021 and the period for incorporation on November 23, 2020 to November 30, 2020

(Expressed in Canadian Dollars)

### 13. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
Loss before tax	\$ (94,159)	\$ (1,986)
Combined federal and provincial statutory tax rates	27%	27%
Total income tax (recovery)	\$ (25,423)	\$ (540)
Change in statutory, foreign tax, FX and other	(321)	-
Share issue cost	(716)	-
Change in unrecognized deductible temporary difference:	26,460	540
	\$ -	-

The significant components of the Company's deferred income tax assets, which have not been recognized are as follows:

	2021	2020
Non-capital losses carried forward	\$ 26,000	\$ 540
Share issue cost	1,000	-
	\$ 27,000	540

As at November 30, 2021 the Company had loss carryforwards of approximately \$96,676 (2020-\$2,000) for Canadian tax purposes, expiring between 2040 and 2041.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**Item 13 - DATE AND CERTIFICATE**

Dated February 24, 2023

**This Offering Memorandum does not contain a misrepresentation.**

**PARAMETRIC PROPERTIES INC.**

*"Robert Nicholas Green"*

Name: Robert Nicholas Green

Title: Director, Chief Executive Officer and acting as CFO

**ON BEHALF OF THE BOARD OF DIRECTORS OF PARAMETRIC PROPERTIES INC.**

*"William Anderson"*

Name: William Anderson

Title: Director