

Form 45-106F6

British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
Paragon Capital Corporation Ltd.
- the issuer's website address; and
www.paragoncorp.ca
- the address, telephone number and email address of the issuer's head office.
1200 – 1015 Fourth Street SW, Calgary, AB T2R 1J4 Tel: 403 263-6446 Facs: 403 263-6445
Email: sandy@paragoncorp.ca

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

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

Item 2: Reporting issuer status

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

The Issuer is not a reporting issuer in any Province or Territory.

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

Item 3: Issuer's industry

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

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> securitized products issuers | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Utilities |

☐ Hi-tech
☐ Industrial

☒ Other (describe)
Syndicated mortgage units

Item 4: Insiders and promoters of non-reporting issuers

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

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Abby Steinberg, Calgary, AB	President and Director	None	Nil
Norman Steinberg, Calgary, AB	Exec V President and Director	None	Nil
Craig Steinberg, Calgary, AB	Sec Treas and Director	None	Nil

Details of distribution

Item 5: Distribution date

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

Friday, 3 June 2016

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;
- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

8,860,000 Syndicated mortgage units

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	20	\$1.00 per unit	\$7,660,000.00
British Columbia	4	\$1.00 per unit	\$1,100,000.00
Saskatchewan	1	\$1.00 per unit	\$100,000.00
Total number of Purchasers	25		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$8,860,000.00

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

Item 8: Information about purchasers

Instructions

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

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

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

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

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or

underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Paragon Capital Corporation Ltd. 1200 - 1015 Fourth Street SW Calgary, AB T2R 1J4 403 263-6446 Abby Steinberg	R	480,000 Syndicated Mortgage Units Security code: OTH	\$480,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Proxim Holdings Inc. 200 - 305 Tenth Avenue SE Calgary, AB T2G 0W2 403 453-0090 Norman Steinberg	N/A	435,000 Syndicated Mortgage Units Security code: OTH	\$435,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Rosslyn Holdings Inc. 1200 - 1015 Fourth Street SW Calgary, AB T2R 1J4 403 263-6446 Rosslyn Steinberg	N/A	650,000 Syndicated Mortgage Units Security code: OTH	\$650,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Arlyn Corp. 1500 - 333 11th Avenue SW Calgary, AB T2R 1L9 403 233-7750 Raymond Mack	N/A	50,000 Syndicated Mortgage Units Security code: OTH	\$50,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Bel Cal Holdings Ltd. 1420 - 540 Fifth Avenue SW Calgary, AB T2P 0M2 310 278-1930 Greg Belzberg	N/A	1,000,000 Syndicated Mortgage Units Security code: OTH	\$1,000,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Bel-Alta Holdings Ltd. 1420 - 540 Fifth Avenue SW Calgary, AB T2P 0M2 403 237-6402 Jenny Belzberg	N/A	600,000 Syndicated Mortgage Units Security code: OTH	\$600,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Centurion Holdings Ltd. 1210 - 606 Fourth Street SW Calgary, AB T2P 1T1	N/A	500,000 Syndicated Mortgage Units Security code: OTH	\$500,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
403 237-6690 James Sardachuk					
First Island Financial Services Ltd. 101 - 727 Fisgard Street Victoria, BC V8W 1R8 250 388-5441 Phil Wooster	N/A	1,000,000 Syndicated Mortgage Units Security code: OTH	\$1,000,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Homestead Enterprises Ltd. P.O. Box 2151 Stettler, AB T0C 2L0 403 575-5768 Robert Deagle	N/A	15,000 Syndicated Mortgage Units Security code: OTH	\$15,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Allan M. Kolinsky Professional Corporation 210 Paliswood Park SW Calgary, AB T2V 5J4 403 251-0365 Allan Kolinsky	N/A	50,000 Syndicated Mortgage Units Security code: OTH	\$50,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Norberg Equities Inc. 001 - 4616 Valiant Drive NW Calgary, AB T3A 0X9 403 851-0882 Henri Kooperberg	N/A	1,200,000 Syndicated Mortgage Units Security code: OTH	\$1,200,000	Rule 2.3 Sec 2.3(5) Subsection 2.3(5) def. (m)	2016-06-03
Red Rose Petroleums Ltd. 91 Cortina Way SW Calgary, AB T3H 0L7 403 240-9083 Alan Miller	N/A	100,000 Syndicated Mortgage Units Security code: OTH	\$100,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Rosebridge Capital Corp. Inc. 2220 Hope Street SW Calgary, AB T2S 2H1 403 215-2103 Chris Killi	N/A	1,800,000 Syndicated Mortgage Units Security code: OTH	\$1,800,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03
Shelcota Holdings (1983) Ltd. 705 - 1455 Howe Street Vancouver, BC T6Z 1C2 403 630-1183	N/A	25,000 Syndicated Mortgage Units Security code: OTH	\$25,000	Rule 2.5 Sec 2.5(1) Subsection 2.5(1)(e)	2016-06-03

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Rosa Fishman					

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

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

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

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

Certificate

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

Date: 9 August 2016

Paragon Capital Corporation Ltd.

Name of [issuer] (please print)

Sandra Bautz 403 263-6446

Print name, title and telephone number of person signing

"Sandra Bautz"

Signature

Instruction

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

Item 10: Contact information

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

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

Notice - Collection and use of personal information

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

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393
Facsimile: (604) 899-6581