FORM 45-106F2
OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Dated	June 30, 2016

The Issuer

Name:	**Westwood Mortgage Corporation** (the "Issuer")
Head office:	Suite BC, 435 North Road Coquitlam, British Columbia, V3K 3V9
Phone:	604-351-4194
E-mail address:	westwoodmortgage@shaw.ca
Fax#:	1-866-337-2702
Currently listed or quoted?	No. These Securities do not trade on any exchange or market.
Reporting issuer?	No
SEDAR filer?	No

The Offering

Securities offered:	30,000,000 Preferred Shares of the Issuer
Price per security:	$1.00 per share
Minimum/Maximum Offering:	$2,140,321 minimum/$30,000,000 maximum. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum subscription amount:	$10,000 for non-registered investments and $15,000 for registered investment.
Payment terms:	Subscriptions from trustees for TFSA's, RRSP's, Registered Retirement Income Funds or Deferred Profit Savings Plans under the Income Tax Act (Canada) (the "Tax Act") will be accepted without payment and shares will be issued upon acceptance of the subscriptions and in exchange for payment. In the case of other subscribers, the subscription price will be paid by certified cheque or bank draft to the Issuer at Suite BC, 435 North Road, Coquitlam, British Columbia, V3K 3V9. An investor's subscription money will be held until their subscription is accepted by the Issuer and the investor's Preferred Shares are issued to them.
Proposed closing date(s):	The Preferred Shares will be offered for sale from the date of this offering memorandum until subscriptions for the maximum offering are attained, provided that the Issuer may terminate and close out this offering at any time without notice and the Issuer will not be required to accept later subscriptions. If the minimum number of Preferred Shares is sold, the Issuer may choose to issue Preferred Shares to the qualified subscribers and continue to offer the Preferred Shares under this offering memorandum until it has received subscriptions for the maximum offering which may entail one or more subsequent closings from time to time as determined by the Issuer.
Tax consequences:	There are important tax consequences to these securities. See Item 6.
Selling agent?	Yes. See Item 7

Resale restrictions

You will be restricted from selling your Preferred Shares for 4 months and a day after the later of the distribution date and the date the Issuer becomes a reporting issuer in any province or territory in Canada. See Item 10.

Purchaser's rights

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

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

ITEM 1: USE OF NET PROCEEDS

1.1 Net Proceeds

The net proceeds of the offering and the fund that will be available to the Issuer after this offering are as follows:

		Assuming min. offering	**Assuming max. offering**
A.	Amount to be raised by this offering	$2,140,321	$30,000,000
B.	Selling commissions and fees	$107,016	$1,500,000
C.	Estimated offering costs (e.g. legal, accounting, administrative, audit)	$10,000	$100,000
D.	Net proceeds: D = A- (B+C)	$2,023,305	$28,400,000

1.2 Use of Net Proceeds

Description of intended use of net proceeds listed in order of priority	**Assuming min. offering**	**Assuming max. offering**
1. Investments permitted of a Mortgage Investment Corporation under the Tax Act.	$1,983,305	$28,000,000
2. The balance of the funds will be kept in money market funds for general operational purposes.	$40,000	$400,000

1.3 Reallocation

The Issuer intends to spend the net proceeds as stated and will allocate funds only for sound business reasons.

1.4 Working Capital Deficiency

There is no deficiency in working capital.

ITEM 2: BUSINESS OF WESTWOOD MORTGAGE CORPORATION

2.1 Structure

The Issuer was incorporated under the Business Corporations Act (British Columbia) on June 15, 2009 and is not extra-provincially registered in any other jurisdiction. The authorized capital of the Issuer is 100,000,000 Common Voting shares without par value and 30,000,000 Preferred Non-voting shares with a par value of $1.00 each.

2.2 Our Business

The Issuer qualifies as a mortgage investment corporation pursuant to the Tax Act. The Issuer provides mortgage loans to owners and developers of single and multi-family residential, commercial, office and industrial real estate projects. Because in most instances the Issuer's mortgages do not meet financing criteria for institutional mortgages, the Issuer expects to earn a higher rate of return than that generally attainable from conventional mortgage investments. The Issuer's loans are generally to be for terms of between one to 25 months.

The Issuer qualifies for the income tax treatment available to mortgage investment corporations under the Tax Act and invests at least 50% of its assets in residential mortgage loans and/or deposits with a bank or other certain specified financial institutions that conform to the provisions of the Tax Act (hereinafter referred to as "Financial Institutions"). Residential mortgage loans include mortgages registered against single family dwellings, multiple unit residential, residential subdivisions and any other real estate deemed to provide housing. The Issuer provides financing on real estate located in British Columbia, but may also finance property located in other areas of Canada if approved by the directors.

The Issuer's investments are secured by way of first or subordinated mortgages on the real property being financed. The Issuer may co-invest in a mortgage or mortgage trust in which it may be a co-lender and as such the Issuer may not have direct control over material issues that may affect the mortgage, such as foreclosure and renewal conditions and terms. In these and other instances a third party and not the Issuer may be registered as the mortgagee. Mortgages generally bear a fixed rate of interest, but may float at a specified rate over the prime lending rate of the Issuer's bank and will often be subject to a minimum rate of interest. The Issuer may also earn commitment, renewal and/or discharge fees payable by borrowers as well as bonuses or similar payments in recognition of the unconventional type of financing provided.

The Issuer's directors have established the following investment guidelines, which are followed unless the directors determine that it is in the best interests of the Issuer to vary the guidelines:

(a) The Issuer makes investments so as to maintain its status as a "mortgage investment corporation" under the Tax Act.

(b) Investments are secured by first or subordinated mortgages and/or other appropriate security interests in favour of the Issuer, either as sole mortgagee or co-mortgagee, and each mortgage will be registered in the appropriate land title office as a charge against the real property being financed. In certain circumstances, particularly if the Issuer is a co-mortgagee, the registration of the mortgage may be in the name of another party, and as such the Issuer may be unable to influence or control material issues that may affect this mortgage such as foreclosure or renewal conditions and terms.

(c) The Issuer makes loans only to borrowers dealing with the Issuer and/or or its affiliates at arm's length and loans will not be made to any shareholder, director or officer of the Issuer or to any company of which a shareholder of the Issuer is a director, officer or shareholder.

(d) Loans are not be made to anyone (a "Trust Party") who is an annuitant, beneficiary or employer under a TFSA, RRSP, deferred profit sharing plan or registered retired income fund as defined under the Tax Act which is a shareholder of the Issuer, or to any other person who is a relative of or otherwise does not deal at arm's length with the Trust Party, or to anyone else who would cause shares in the Issuer not to be a qualified investment under Regulation 4900(1)(c) and the related provisions of the Tax Act.

(e) Before funding any mortgage loan, the Issuer obtains an independent valuation of all real property to be charged by the mortgage. Such appraisal will be carried out by an accredited professional real estate appraiser. The timeliness of each appraisal will be at the sole discretion of the directors. Notwithstanding the foregoing, the directors of the Issuer may, by unanimous written agreement, agree that a full appraisal by an accredited real estate appraiser is not necessary and may use other valuation sources such as, but not restricted to, the BC Assessment Authority, or online valuation services such as LANDCOR.

(f) Mortgage terms generally do not exceed 25 months and any extensions will be in additional 7 or 13 month terms.

(g) The Issuer only makes investments in Canada in jurisdictions in which the Issuer is lawfully authorized to make investments.

(h) Cash not invested in mortgages are maintained with a bank or other certain specified Financial Institutions.

(i) No more than 30% of the investment pool at the time of advancement are invested in mortgages that have a loan to value ratio greater than 75%, but not exceeding 80%.

(j) No single mortgage will exceed the greater of $250,000 or 20% of the investment pool at the time funds are advanced.

(k) Total mortgages pertaining to development projects will not exceed 25% of the investment pool at the time funds are advanced. Development projects will be defined as multi-residential/commercial projects. "Lending on a Draw Basis" to the construction of single family detached residential homes will not be subject to this limitation.

The directors of the Issuer may, by written agreement, unanimously waive the provisions of paragraph (f), but will not otherwise deviate from the Investment Guidelines set out above except as permitted above.

Refer to Addendum "B" for the most recent quarterly portfolio report (quarter ends are March 31 / June 30 / September 30 / December 31).

2.3 Development of Business

The Issuer has established various contacts and business dealings in the mortgage brokerage industry, which have resulted in the establishment of a diversified mortgage portfolio. In addition, the portfolio is being developed through discussions and negotiations with mortgage brokers, residential and commercial builders, real estate developers and directly with commercial and investment property owners.

The Issuer invests in mortgages on residential and commercial property in British Columbia. The emphasis is on making investments in areas where opportunities can be maximized. In most instances, the Issuer is making investments in situations where the financing criteria for conventional mortgage lenders is not met. As a result, these investments generally earn a higher rate of return than is normally attainable from conventional mortgage investments but may also pose more risk. The Issuer attempts to minimize the investment risk by considering carefully both its credit decisions and the value of the underlying real property offered as security.

2.4 Long Term Objectives

The Issuer's long-term objectives are to raise the maximum capital as set out in this offering memorandum and to have those funds invested in mortgage loans sufficiently diversified to provide the preferred shareholders with consistent and reliable returns.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Issuer's short term objectives are to maintain steady growth in the mortgage pool by raising capital through new and existing investors, as well as exploring the addition of selling agents to assist in securing new investors.

The Issuer intends to achieve the above short term objectives within the next 12 months as follows:

What we must do and how we will do it	**Target completion date or, if not known, no. of months to complete**	**Our cost to complete**
To achieve this objective the Issuer will continue to actively market new and existing investors via mailings and other media. In an effort to secure a network of selling agents, an information package has been prepared for discussions with qualified individuals and groups.	12 Months	$10,000.00

2.6 Insufficient Proceeds

Not applicable.

2.7 Material Agreements

The Issuer is a party to a Management Agreement dated July 27, 2009 (the "Management Agreement") with Strategic Mortgage Professionals Inc. ("SMPI"), pursuant to which SMPI has agreed to provide management services to the Issuer, including without limitation managing the Issuer's investment portfolio and locating and considering appropriate investments opportunities for the Issuer. As consideration, SMPI is entitled to a fee of up to 3.5% of the average annual assets under administration as indicated on the Issuer's audited financial statements at the end of each fiscal year, provided that the Issuer meets certain performance thresholds**.** No other remuneration is payable to SMPI for the provision of services under the Management Agreement. The Management Agreement will remain in effect unless terminated by either party. The agreement can be terminated by the Issuer without notice at any time at the sole discretion of its directors. SMPI may terminate the agreement at its sole discretion with 60 days' written notice to the Issuer or without notice if the Issuer defaults under the terms of the Management Agreement and such default is not cured within 30 days of notice, or if proceedings in insolvency, bankruptcy, receivership or liquidation are taken against the Issuer or if the Issuer makes an assignment in bankruptcy.

SMPI was incorporated under the Company Act (British Columbia) on November 30, 2001 and was transitioned under the Business Corporations Act (British Columbia) on January 20, 2006. The company is registered with the Financial Institutions Commission of British Columbia and a member of the Mortgage Brokers Association of BC. SMPI is a related party to the Issuer by virtue of Alan J. Kelly being a director and shareholder of both SMPI and the Issuer.

ITEM 3: DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides information about each director, officer and promoter of the issuer and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the issuer (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 issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of minimum offering	Number, type and percentage of securities of the issuer held after completion of the max. offering
Alan J. Kelly Coquitlam, BC	Director/ President/ Principal Holder June 15, 2009	2015- $6,318.90 2016 - $8,000.00*	25 common shares (10.00% of the voting common shares)	25 common shares (10.00% of the voting common shares)
Heather Jiwan Port Coquitlam, BC	Director/ Secretary/ Principal Holder June 15, 2009	2015 - $6,318.91 2016 - $8,000.00*	25 common shares (10.00% of the voting common shares)	25 common shares (10.00% of the voting common shares)
Sandi Campardo Coquitlam, BC	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares)	25 common shares (10.00% of the voting common shares
E Eric Friesen	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares) and 38,110.92 preferred shares (1.79% of the preferred shares)	25 common shares (10.00% of the voting common shares) and 38,110.92 preferred shares (1.79% of the preferred shares)
E Grant Sahaydak	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares)	25 common shares (10.00% of the voting common shares)
G Bradley Currie	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares)	25 common shares (10.00% of the voting common shares)
J Eric Linquist	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares)	25 common shares (10.00% of the voting common shares)

Riadh Muslih	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares) and 102,164.72 preferred shares (4.80% of the preferred shares	25 common shares (10.00% of the voting common shares) and 102,164.72preferred shares (4.80% of the preferred shares)
Joel Yanow	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares) and 27,397.65 preferred shares (1.29% of the preferred shares	25 common shares (10.00% of the voting common shares) and 27,397.65 preferred shares (1.29% of the preferred shares)
Karen Longair Delta, BC	Principal Holder December 31, 2012	$Nil	25 common shares (10.00% of the voting common shares) and 43,437.88 preferred shares (2.04% of the preferred shares)	25 common shares (10.00% of the voting common shares) and 43,437.88 preferred shares (2.04% of the preferred shares)

* Directors are also entitled to $500.00 per meeting and reimbursement of reasonable out of pocket expenses.

3.2 Management Experience

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

Name	**Principal occupations and related experience**
Heather Jiwan	Mortgage broker with Dominion Lending Centres since October 2010. Mortgage broker with Strategic Mortgage Professionals Inc. from October 2004 to October 2010. Managed administration of T-West Mortgage Corporation, a British Columbia registered Mortgage Investment Corporation, for four years concluding October 2008. Previously employed by RBC with 12 years experience in various positions.
Alan J. Kelly	Mortgage broker / partner in Strategic Mortgage Professionals Inc. since November 2001. Managed T-West Mortgage Corporation, a British Columbia registered Mortgage Investment Corporation, as President and a director from its inception in 1999 through October 2008. Previously employed with CIBC and TD Canada Trust for 15 years in Management and Mortgage sales roles.

3.3 Penalties, Sanctions and Bankruptcy

No penalties or sanctions or any declarations of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last ten years against or with regard to any (i) director, senior officer, promoter or control person of the Issuer, or (ii) an issuer that a person or company referred to in (i) was a director, senior officer, promoter or control person of at that time.

ITEM 4: CAPITAL STRUCTURE

4.1 Share Capital

Description of security	**Number authorized to be issued**	**Number outstanding as at June 30,2016**	**Number outstanding assuming completion of min. offering**	**Number outstanding assuming completion of max. offering**
Common voting shares without par value	100,000,000	250	N/A	N/A
Preferred non-voting shares with a par value of $1.00 each	50,000,000	2,140,321	2,140,321	30,000,000

4.2 Long Term Debt

The Issuer has no long-term debt.

4.3 Prior Sales

During the last 12 months, the Issuer has issued the following number of Preferred Shares:

Date of Issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
June 30, 2015 to June 30, 2016	Preferred Shares	261,015	$1.00	$261,015

Refer to Addendum "D" for a monthly breakdown of sales (and redemptions).

ITEM 5: DESCRIPTION OF SECURITIES OFFERED

5.1 Terms of Securities

<u>Voting Rights</u>

The Issuer is offering for sale under this offering memorandum up to 30,000,000 Preferred Non-voting shares with a par value of $1.00 each. The holders of the Preferred Shares shall not be entitled to receive notice of, attend or vote at any general or special meeting of the voting shareholders of the Issuer.

<u>Dividend Rights</u>

Under the terms of its Articles, the Issuer is required to declare and pay a taxable dividend to the holder of Preferred Shares in an amount which, according to the directors' best estimate, they determine to equal the maximum amount deductible in computing the income of the Issuer pursuant to the applicable provisions of the Tax Act, subject to the right of the directors to reduce such dividend(s) to provide for reserves, liabilities and other contingencies of the Issuer and to ensure that the dividends are payable out of funds properly available for the payment of dividends.

If authorized by the Issuer, a Preferred Share holder may provide written instructions to the Issuer requesting that they receive payment of a dividend by way of the issuance of additional Preferred Shares valued in the amount of such dividend, less an administrative charge of 5% of the value of the declared dividend (See Item 7.3 Compensation on Re-Invested Dividends). In the case of an Investor holding Preferred Shares for less than a full fiscal year, any dividends declared will be paid pro rata to that investor according to the portion of the period that such investor was a Preferred Share holder. If such dividend reinvestment would result in a fractional share being issued, the Issuer will issue shares rounded to the nearest 1/100 share (up or down).

Refer to Addendum "A" for historical information on dividends paid.

Retraction Rights

FOR SHARES ISSUED BEFORE JUNE 30, 2016

Subject to the provisions of the Business Corporations Act (British Columbia) and the Issuer's Articles, a holder of Preferred Shares may, in an eligible redemption year, give to the Issuer irrevocable notice that it wishes to redeem any or all of its Preferred Shares. An eligible redemption year is defined as the first full calendar year, and subsequent years, following the year in which the holder's Preferred Shares were issued. Preferred Shares issued to an investor as payment of a dividend are eligible for retraction in the calendar year in which they were issued and not subject to the eligible redemption year deductions set out below, although all notice and other requirements and restrictions would apply to the redemption of those Preferred Shares.

The Issuer will act on the retraction request at the end of the fiscal quarter in which the request was received (quarter ends are as follows: Mar 31 / Jun 30 / Sept 30 / Dec 31).

The retraction notice shall be sent by registered mail or delivered to the registered office of the Issuer. Subject to the restrictions below, the Issuer shall purchase the subject shares by paying the shareholder a sum of money equal to the retraction amount for each Preferred Share owned by that holder multiplied by the number of Preferred Shares being redeemed. The retraction amount payable will be equal to the lesser of the following amounts (the "Retraction Amount"):

(a) $1.00 per Preferred Share plus any declared but unpaid dividends, less the following discounted amounts

   (i) By 6% if a redemption is requested in the first eligible redemption year;

   (ii) by 5% if a redemption is requested in the second eligible redemption year;

   (iii) by 4% if a redemption is requested in the third eligible redemption year;

   (iv) by 3% if a redemption is requested in the fourth eligible redemption year;

   (v) and by 2% if a redemption is requested and completed in the fifth eligible redemption year; or

(b) their book value as set out in the Issuer's upcoming year end audited financial statements.

In addition, all retraction requests will be subject to a minimum $75.00 administration fee which will be deducted from the final Retraction Amount. Retraction requests will only be considered if the investor provides written notice to the Issuer not less than 90 days before December 31 of any eligible redemption year. The Issuer will redeem the principal amount of such Preferred Shares on a pro rata basis anytime after the Issuer's year end audited financial statements are completed for the eligible redemption year and when monies becomes available for such redemption unless:

(a) such redemptions would result in the Issuer not qualifying as a mortgage investment corporation under the Tax Act; or

(b) the directors determine that it would not be in the best interest of the Issuer and its share holders or practicable to redeem any or all of Preferred Shares on request.

Redemptions will be made by the Issuer on a pro rata basis of those redemption requests received before the applicable redemption deadline. If the redemption amount is not paid, in whole or in part, within 60 days after the completion of the issuer's audited financial statements for the year in which the redemption was requested, the Issuer will pay interest from the date of the fiscal year-end following the redemption notice until payment of the Retraction Amount equal to the rate of return, if any, earned on Preferred Shares after the fiscal year-end following the retraction notice, calculated:

(a) on the basis of the Issuer's audited financial statements for the period for which same are available; or

(b) otherwise, on the basis of the Issuer's unaudited financial statements.

At the directors' discretion, funds may be set aside in a bank account or money market fund (the "Redemption Holdback Funds") to facilitate the payment of investor retraction requests made prior to the deadline date outlined above. If the directors have set aside Redemption Holdback Funds, the investors who have delivered their retraction requests before the applicable deadline will be entitled only to the net earnings from the Redemption Holdback Funds on a pro rata basis. If a request for a retraction is not processed by June 30 of the year following the original request and if that request has not been withdrawn by the investor, the Retraction Amount discount will be reduced to the percentage in effect as if that request were made in the current eligible redemption year. Monies available for redemption will not include net profits of the Issuer which will be distributed as dividends. The Issuer shall not be required to redeem any Preferred Shares if the Issuer is insolvent at the time that the redemption is to be effective, or if the redemption would render the Issuer insolvent or would affect the Issuer's status as a mortgage investment corporation under the terms of the Tax Act.

FOR SHARES ISSUED AFTER JUNE 30/16 AND ALL SHARES IN THEIR 6th OR LATER ELIGIBLE REDEMPTION YEAR

Subject to the provisions of the Business Corporations Act (British Columbia) and the Issuer's Articles, a holder of Preferred Shares may, at any time, give to the Issuer irrevocable notice that it wishes to redeem any or all of its Preferred Shares. Preferred Shares issued to an investor as payment of a dividend are eligible for retraction in the calendar year in which they were issued and not subject to the eligible redemption year deductions set out below, although all notice and other requirements and restrictions would apply to the redemption of those Preferred Shares.

The Issuer will act on the retraction request at the end of the fiscal quarter in which the request was received (quarter ends are as follows: Mar 31 / Jun 30 / Sept 30 / Dec 31).

The retraction notice shall be sent by registered mail or delivered to the registered office of the Issuer. Subject to the restrictions below, the Issuer shall purchase the subject shares by paying the shareholder a sum of money equal to the retraction amount for each Preferred Share owned by that holder multiplied by the number of Preferred Shares being redeemed. The retraction amount payable will be equal to the lesser of the following amounts (the "Retraction Amount"):

(a) $1.00 per Preferred Share plus any declared but unpaid dividends, less the following discounted amounts (the retraction fee required to make up the balance of the Capital Deficit account per Item 7.2):

(i) By 5% if a redemption is requested in the first eligible redemption year;

(ii) by 4% if a redemption is requested in the second eligible redemption year;

(iii) by 3% if a redemption is requested in the third eligible redemption year;

(iv) by 2% if a redemption is requested in the fourth eligible redemption year; and

(v) by 1% if a redemption is requested in the fifth eligible redemption year; or

(b) their book value as set out in the Issuer's upcoming year end audited financial statements.

In addition, all retraction requests will be subject to a minimum $75.00 administration fee which will be deducted from the final Retraction Amount. The Issuer will redeem the principal amount of such Preferred Shares on a pro rata basis anytime after the Issuer's quarter end unaudited financial statements are completed and when monies becomes available for such redemption unless:

(a) such redemptions would result in the Issuer not qualifying as a mortgage investment corporation under the Tax Act; or

(b) the directors determine that it would not be in the best interest of the Issuer and its share holders or practicable to redeem any or all of Preferred Shares on request.

Redemptions will be made by the Issuer on a pro rata basis of those redemption requests received before the applicable redemption deadline. If the redemption amount is not paid, in whole or in part, within 60 days after the completion of the issuer's quarter end unaudited financial statements for the quarter in which the redemption was requested, the Issuer will pay interest from the date of the quarter end following the redemption notice until payment of the Retraction Amount equal to the rate of return, if any, earned on Preferred Shares after the fiscal year-end following the retraction notice, calculated:

(a) on the basis of the Issuer's audited financial statements for the period for which same are available; or

(b) otherwise, on the basis of the Issuer's unaudited financial statements.

At the directors' discretion, funds may be set aside in a bank account or money market fund (the "Redemption Holdback Funds") to facilitate the payment of investor retraction requests made prior to the deadline date outlined above. If the directors have set aside Redemption Holdback Funds, the investors who have delivered their retraction requests before the applicable deadline will be entitled only to the net earnings from the Redemption Holdback Funds on a pro rata basis. Monies available for redemption will not include net profits of the Issuer which will be distributed as dividends. The Issuer shall not be required to redeem any Preferred Shares if the Issuer is insolvent at the time that the redemption is to be effective, or if the redemption would render the Issuer insolvent or would affect the Issuer's status as a mortgage investment corporation under the terms of the Tax Act.

Refer to Addendum "C" for a summary of recent retraction request and payout history.

<u>Redemption Rights</u>

Subject to the provisions of the Business Corporations Act (British Columbia) and the Issuer's Articles, the Issuer may, upon giving notice as hereinafter provided, and without the consent of the holders thereof, redeem the whole or any part of the Preferred Shares on payment of the redemption amount for each share to be redeemed. Not less than 21 days notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date and place of redemption; if notice of such redemption be given by the Issuer in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada, as specified in the notice, on or before the date fixed for redemption, the holders thereof shall cease to be entitled to dividends or to exercise any rights of a holder thereof, except, upon surrender of certificates for such shares, to receive payment out of the monies so deposited of the redemption amount for such shares. In case a part only of the then outstanding Preferred Shares is at any time to be redeemed, the shares to be redeemed shall be selected by lot or in such other manner as the directors in their discretion decide or, if the directors so determine, may be redeemed pro rata; the directors may make and enforce any and all such reasonable regulations not inconsistent with the Articles of the Issuer governing the manner and method of redemption of the Preferred Shares as in their discretion they may deem advisable. The holders of the shares to be redeemed may waive any notice required to be given under this paragraph and such waiver, whether given before or after the redemption, shall cure any default in giving such notice.

Rights Upon Liquidation or Winding Up of the Issuer

The holders of the Preferred Shares shall, on a winding up or liquidation of the Issuer, be entitled to receive a sum equal to the par value of each Preferred Share held together with all dividends declared and unpaid thereon in priority to any distribution to the Common share holder in the capital of the Issuer. Once such prior distribution has been made to the holders of the Preferred Shares, and once a distribution equal to the paid-up-capital of each Common Share issued and outstanding has been made to the holders of the Common Shares in accordance with the Articles, the holders of the Preferred Shares shall be entitled to participate equally with the holders of the Common Shares in any further distributions of the assets of the Issuer pro rata in accordance with the number of Preferred Shares held.

5.2 Subscription Procedure

The Preferred Shares are being sold pursuant to an exemption available under section 2.9 of National Instrument 45-106. Under the terms of National Instrument 45-106, subscribers must purchase the Preferred Shares as principal, be provided with a copy of an offering memorandum and sign a Risk Acknowledgment Form.

Preferred Shares will be available for subscription by residents of British Columbia. Subscriptions will be subject to acceptance or rejection in whole or in part at the discretion of the Issuer within 120 days after receipt. Subscription applications will be considered by the Issuer and if accepted the proceeds applied in the order in which the Issuer receives duly completed subscription documentation and payment. The Issuer will forward written confirmation of acceptance of subscriptions to investors after acceptance by the Issuer, together with a certificate representing fully paid and non-assessable Preferred Shares.

Subscriptions from trustees for TFSAs, RRSPs, Registered Retirement Income Funds or Deferred Profit Savings Plans under the Tax Act will be accepted without payment and shares will be issued upon acceptance of the subscriptions and in exchange for payment. In the case of other subscribers, the subscription price will be paid by certified cheque or bank draft to the Issuer at Suite BC, 435 North Road, Coquitlam, British Columbia, V3K 3V9.

Funds received from an investor are available to the Issuer after the mandatory two-day hold period (see item 11) and need not be refunded to the investor thereafter other than by way of redemption described in section 5.1 above

ITEM 6: INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

Subscribers should consult with their own professional advisers to obtain advice on the income tax consequences that apply to them.

The following is a summary of potentially significant tax consequences to Canadian residents making an investment under this offering memorandum. The summary is based upon the facts set out in this offering memorandum, the current provisions of the Tax Act and the regulations thereunder and the current published administrative practices of Canada Revenue Agency. The summary does not take into account or anticipate any changes or proposed changes in law whether by legislative, governmental or judicial action and does not take into account tax legislation or considerations of any province, territory or foreign jurisdiction.

This summary is intended to be of a general nature only and subscribers should consult with their own tax professionals to ensure they understand the nature and implications of their investment. The summary is not intended to be and should not be interpreted as tax advice and should not be relied upon by any subscribers.

The Issuer intends to maintain the status of a mortgage investment corporation under the Tax Act. As such, if it pays out all of its net profits in dividends during the year or within 90 days after the end of the year, it may deduct 100% of the dividends paid as if an expense. The dividends are taxable in the hands of the shareholders as if they had received interest on a bond issued by the Issuer and not dividends.

As a result, it is anticipated that for each taxation year of the Issuer during which it qualifies as a Mortgage Investment Corporation, the Issuer will receive “flow through” treatment under the Tax Act. Accordingly, the Issuer will not be required to pay income taxes on the net income from which dividends are paid. Income in excess of allowable deductible reserves under the Income Tax Act which is not distributed to shareholders within 90 days after the Issuer’s year-end will be subject to ordinary corporate tax under the Tax Act.

The Issuer expects that realized net capital gains, if any, will be distributed to shareholders annually. The directors may from time to time elect to pay out only part of such capital gains if they deem that action to be prudent and in the best interest of the Issuer. Capital gains would likely only be realized if the Issuer realized a gain on real property acquired by foreclosure. Capital gains dividends (if any) paid by the Issuer will be taxable in the hands of shareholders as a capital gain.

Under the Tax Act, for a corporation to qualify as a mortgage investment corporation it must, among other requirements, have at least 20 shareholders and no shareholder (and anyone not dealing at arm’s length with the shareholder) can own more than 25% of the total issued and outstanding shares of any class of shares of the Issuer. At least 50% of the cost of the corporation’s assets must be invested in residential mortgages and/or deposits with a bank or other certain specified Financial Institutions.

The Preferred Shares will generally qualify as investments for trusts governed by Registered Retirements Savings Plans, Registered Retirement Income Funds, Deferred Profits Savings Plans and Tax Free Savings Accounts so long as the Issuer maintains its status as a Mortgage Investment Corporation under the Tax Act. However, investors should be aware that not all securities are eligible for investment in the above plans and should therefore consult their own professional advisors to obtain advice on the eligibility of these securities.

Notwithstanding the foregoing, the Issuer makes no warranty or representation, implied or otherwise, with respect to income tax or other taxation issues in respect of any individual investor in relation to this offering. **It is strongly recommended that investors consult with their own professional advisors regarding the tax consequences to them of an investment in Preferred Shares.**

ITEM 7: COMPENSATION PAID TO SELLERS / REFERRING PARTIES, AND CAPITAL RECOVERY

Item 7.1 Compensation on Sale of Preferred Shares

The Issuer will pay selling agents (if any) a sales commission, or referring parties (who may also be directors or officers of the Issuer) a referral fee, of 5% of the subscription price for the Preferred Shares. In addition, the Issuer's directors, at their discretion, may pay future trailer or service fees of up to 0.5% of the Issuer's net invested assets annually to sales agents from time to time, which will be in addition to the normal business expenses and costs of the Issuer for the administration of its assets, actual or provisions for losses, extra ordinary expenses etc.

Item 7.2 Capital Recovery

The issuer will pay the sales commission / referral fees from the capital of the company, creating a capital deficit account tied to the related investor. The company will recover the commission expense (re-capitalize the company) by charging a fee of ¼ of 1.0% each quarter (1.0% per year) against the dividends paid to those investors with capital deficit accounts, until such time as their capital deficit is reduced to $0.00. This should happen over the course of 5 years. In the case of an investor wishing to redeem shares prior to capital deficit account being cleared, the retraction fee referred to in Item 5.1 under the heading of "Retraction Rights", would be charged to make up the balance of the capital deficit account.

Item 7.3 Compensation on Re-invested Dividends

The Issuer will pay the initial selling agents (if any) a sales commission, or referring parties (who may also be directors or officers of the Issuer) a referral fee, of 5% of the amount of the dividend to be re-invested in additional preferred shares of the issuer. If sales commissions and/or referral fees are paid, the remaining 95% of declared dividends will be invested in Preferred Shares of the issuer with no required capital recovery.

ITEM 8: RISK FACTORS

The following is a summary of risk factors investors should consider prior to making an investment in Preferred Shares and the Issuer recommends that investors consult with their own professional advisors to determine the possible risks of investing in the Preferred Shares.

<u>Investment Risks</u>

(a) The Preferred Shares may only be sold or otherwise disposed of in compliance with securities legislation in applicable provincial jurisdictions. Under British Columbia securities legislation and the laws of Canada applicable in the province, the Issuer's shares cannot be transferred or otherwise disposed of by British Columbia residents until the date that is four months and a day after the later of the date of issuance of the shares and the date the Issuer becomes a reporting issuer in any province or territory in Canada. At this time, the Issuer does not have any intention to become a reporting issuer. Since there will be no market for resale of the Preferred Shares, it may be difficult or even impossible for investors to sell them other than back to the Issuer.

(b) The Preferred Shares are highly speculative and an investment in the Preferred Shares is risky. Subscribers should purchase Preferred Shares only if they are able to bear the risk of the entire loss of their investment and have no need for immediate liquidity, now or in the future.

(c) SMPI and the directors of the Issuer are responsible to ensure that the Issuer's business operations are conducted so as not to jeopardize its status as a mortgage investment corporation under the Tax Act. If the Issuer fails to maintain its status as a mortgage investment corporation, dividends paid on the Preferred Shares would not be deductible from the Issuer's income, which would have negative tax consequences for the Issuer. In addition, the Preferred Shares would cease to be qualified investments for RRSP's, deferred profit sharing plans and registered retirement income funds.

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

(e) The Issuer will be entitled, and may incur indebtedness secured by the Issuer's assets, to purchase mortgage investments. There can be no assurance that such a strategy will enhance returns, and in fact, such strategy may reduce returns. In determining the Issuer's cash flow priorities, loan payments will take priority over the payment of dividends, and in the event of the voluntary or involuntary bankruptcy or winding up of the Issuer, the repayment of loans will take priority over the payment of dividends and return of capital to the holders of the Preferred Shares. The security that the Issuer is required to furnish when incurring indebtedness may include an assignment of its mortgages to a third party lender. If the Issuer is unable to service its debt to such lender, a loss could result if the lender exercises its rights of foreclosure or sale.

Issuer Risk

(a) The Issuer is not a member institution of the Canada Deposit Insurance Corporation and the Preferred Shares offered pursuant to this offering memorandum are not insured against loss through the Canada Deposit Insurance Corporation.

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

(c) Although the Issuer will endeavour to maintain a diversified portfolio, the composition of the Company's investment portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in the Issuer's portfolio being less diversified than anticipated.

(d) The Issuer will be at least in part dependent on the knowledge and expertise of SMPI for investment advisory and portfolio management services under the Management Agreement. Any inability of SMPI to perform competently or on a timely basis will negatively affect the Issuer's performance. There is no certainty that the persons who are currently officers and directors of SMPI will continue to be officers and directors of SMPI for an indefinite period of time.

(e) The Preferred Shares do not carry voting rights so investors will not have an opportunity to elect directors or otherwise determine the Issuer's management or direction.

(f) Alan J. Kelly is a director of the Issuer and also a director and shareholder of SMPI and accordingly there may be conflicts of interest if the interest of these companies are inconsistent. The Manager having entered into the Management Agreement with the Issuer, is entitled to earn a fee for providing services to the Issuer. Conflicts of interest may arise because of the fact that the directors and officers of SMPI are engaged in a wide range of investing and other business activities may include real property financing in direct competition with the Issuer. The Manager has established, and intends to establish in the future, other investment vehicles that may involve transactions that conflict with the interests of the Issuer. The services of SMPI and its directors and officers are not exclusive to the Issuer; SMPI may at any time engage in promoting or managing any other corporation or its investments including those that may compete directly or indirectly with the Issuer.

(g) None of the directors or officers of the Issuer will devote all of his or her full time to the business and affairs of the Issuer, although each will devote as much time as is necessary to advance the business and affairs of the Issuer.

Industry Risks

(a) The business of lending to owners of properties and developers is inherently risky and subject to significant uncertainties. Such risks include the highly competitive nature of the real estate industry, changes in general or local conditions, inability to obtain zoning or development permits or approvals, changes in occupancy rates, changes in property values, interest rate fluctuation, the availability of mortgage funds, environmental and hazardous substances risks, changes in real estate tax rates and the possibility of competitive over-building, increases in operating costs, general business risk, changes in governmental rules and fiscal policies, and other events and factors that are beyond the control of the Issuer. The higher returns associated with the loans the Issuer intends to make, which may include project equity, interim and land servicing mortgage loans, reflect the greater risk involved as compared to long-term conventional mortgage loans. Inherent in these loans are risks that construction might be delayed or not completed as well as risks due to changing interest rates, financial markets and changing business conditions. Because of the risk which may be involved in the Issuer's investments, the Issuer may establish reserves against potential losses in such amounts as are deductible for income tax purposes, in consultation with the Issuer's auditors.

The following factors should also be considered by prospective investors:

(i) The Issuer's mortgage loans will not usually be insured by Canada Mortgage and Housing Corporation or any private mortgage insurer.

(ii) If the Issuer's mortgage is a first or subordinated mortgage, the ratio of the loan amount to the value of the real property encumbered by the mortgage may be higher than an institutional mortgage lender would approve.

(iii) In the event of default under an Issuer's mortgage, it may be necessary for the Issuer to engage in foreclosure or other legal proceedings to sell the property and to make further payments to complete an unfinished project or to pay off or maintain prior mortgages in good standing. In such cases, it is possible for that the total amount invested in the mortgage may be lost or only partially recovered, with a resulting loss to the Issuer.

If the Issuer is a co-mortgagee or owns an interest in a mortgage trust, it may be unable to influence or control material issues that may affect this mortgage, such as foreclosure or renewal conditions and terms.

(b) The Issuer's earnings depend on the ability of SMPI to recommend suitable opportunities for the investment of the Issuer's money and on the yields available from mortgages as well as the cost of borrowing. A wide variety of competing lenders and investors are active in the areas of investment in which the Issuer intends to operate. The resulting competition can result in declining mortgage returns and difficulty in sourcing mortgage investments. Yields on real estate mortgages depend on many factors including economic conditions, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, legislation, governmental regulation and tax laws. The Issuer cannot predict the effect which such factors will have on the availability of mortgage investments or operations.

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

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

(e) The Issuer's income and funds available for distribution to security holders would be adversely affected if a significant number of borrowers were unable to pay their obligations to the Issuer or if the Issuer were unable to invest its funds in residential and commercial mortgages on economically favourable terms. On default by a borrower, the Issuer may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment.

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

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

(h) The Issuer's performance may be affected by environmental and other regulatory matters. Under provincial legislation, the Issuer could become liable for the costs of affecting remedial work necessitated by the release, deposit or presence of certain materials, including hazardous or toxic substances and wastes at or from a property, or disposed of at another location. The failure to affect remedial work may adversely affect an owner's ability to sell real estate or to borrow using the real estate as collateral and could result in claims against the owner.

ITEM 9: REPORTING OBLIGATIONS

The Issuer will report to shareholders on a quarterly basis within 60 days from the end of each quarterly period. Such reports will include any material change from the previous report and the current status of the investment portfolio. Such report will also include an analysis of the Issuer's business operations and results for the period. The Issuer will provide audited financial statements to shareholders with the fiscal year-end reports, within 140 days after each fiscal year-end.

ITEM 10: RESALE RESTRICTIONS

These securities 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 securities 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 4 months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada.**

ITEM 11: PURCHASER'S RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer:

1. **Two Day Cancellation Right -** You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Issuer by midnight on the 2nd business day after you sign the subscription application to buy the securities.

2. **Statutory Rights of Action in the Event of a Misrepresentation -** If there is a misrepresentation in this offering memorandum you have a statutory right to sue:

   (a) the Issuer to cancel your agreement to buy these securities, or

   (b) for damages against the Issuer, every person who was a director at the date of this offering memorandum and every other person who signed this offering memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. 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 you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

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

ITEM 12: FINANCIAL STATEMENTS

Attached to this Offering Memorandum immediately following this Item 12 are the audited financial statements for the Issuer for the year ended December 31, 2015.

WESTWOOD MORTGAGE CORPORATION

Financial Statements

Year Ended December 31, 2015

Cahill Professional Accountants

WESTWOOD MORTGAGE CORPORATION

Index to Financial Statements

Year Ended December 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Westwood Mortgage Corporation

We have audited the accompanying financial statements of Westwood Mortgage Corporation, which comprise the statement of financial position as at December 31, 2015 and the statements of income and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Westwood Mortgage Corporation as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Cahill

North Vancouver, British Columbia
February 26, 2016

Cahill Professional Accountants

WESTWOOD MORTGAGE CORPORATION

Statement of Financial Position

December 31, 2015

		2015		2014
ASSETS				
CURRENT				
Cash	$	37,639	$	523,387
Accounts receivable		10,669		8,998
Current portion of mortgages receivable		1,678,736		860,326
		1,727,044		1,392,711
MORTGAGES RECEIVABLE		307,000		350,000
	$	2,034,044	$	1,742,711
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT				
Accounts payable and accrued liabilities	$	8,163	$	10,184
Dividends payable		30,452		25,545
		38,615		35,729
DUE TO DIRECTORS		2		2
REDEEMABLE PREFERRED SHARES *(Note 5)*		1,995,402		1,706,955
		2,034,019		1,742,686
SHAREHOLDERS' EQUITY				
Share capital *(Note 6)*		25		25
	$	2,034,044	$	1,742,711

COMMITMENTS *(Note 8)*

RELATED PARTY TRANSACTIONS *(Note 9)*

On behalf of the Board

_____________________ *Director*

_____________________ *Director*

See accompanying notes to financial statements.

WESTWOOD MORTGAGE CORPORATION

Statement of Income and Retained Earnings

Year Ended December 31, 2015

	2015	2014
REVENUE		
Administration fees	$ 31,195	$ 18,950
Interest	116,716	115,836
	147,911	134,786
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and legal	10,003	10,488
Interest and bank charges	238	214
Licenses, dues and subscriptions	-	1,000
Management fees	23,858	20,660
Office	3,562	3,289
	37,661	35,651
INCOME FROM OPERATIONS	110,250	99,135
Dividends to preferred shareholders	(110,250)	(99,135)
NET EARNINGS FOR THE YEAR	-	-
RETAINED EARNINGS - BEGINNING OF YEAR	-	-
RETAINED EARNINGS - END OF YEAR	$ -	$ -

See accompanying notes to financial statements.

WESTWOOD MORTGAGE CORPORATION

Statement of Cash Flows

Year Ended December 31, 2015

		2015		2014
OPERATING ACTIVITIES				
Net income	**$**	**110,250**	$	99,135
Changes in non-cash working capital:				
Accounts receivable		**(1,671)**		14
Accounts payable and accrued liabilities		**(2,021)**		1,158
Accounts payable to management company		**-**		(3,966)
Dividends payable		**4,907**		3,665
		1,215		871
Cash flow from operating activities		**111,465**		100,006
FINANCING ACTIVITIES				
Net proceeds from issuance of redeemable preferred shares		**195,891**		246,854
Dividends paid to preferred shareholders		**(17,694)**		(12,548)
Cash flow from financing activities		**178,197**		234,306
INVESTING ACTIVITY				
Net decrease (increase) in mortgages receivable		**(775,410)**		167,068
INCREASE (DECREASE) IN CASH FLOW		**(485,748)**		501,380
Cash - beginning of year		**523,387**		22,007
CASH - END OF YEAR	**$**	**37,639**	$	523,387
CASH FLOWS SUPPLEMENTARY INFORMATION				
Interest received	**$**	**116,716**	$	115,730
Preferred dividends paid or payable in cash	**$**	**17,694**	$	12,548
Dividends paid or payable by issuance of preferred shares	**$**	**92,555**	$	86,587
CASH CONSISTS OF:				
Cash	**$**	**37,639**	$	523,387

1. STATUTE OF INCORPORATION AND NATURE OF BUSINESS

The Company was incorporated on June 15, 2009 under the laws of the Province of British Columbia. It commenced business operations on June 15, 2009 as a Mortgage Investment Corporation, as defined by the Income Tax Act of Canada. Its business is to obtain a stable source of income by investing in a portfolio of residential, commercial, construction and other mortgages.

2. BASIS OF PRESENTATION

Statement of compliance

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

The financial statements for the year ended December 31, 2015 have been approved and authorized for issue by the Board of Directors on February 23, 2016

Basis of measurement

These financial statements are prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates. The most subjective of these estimates are as follows:

Impairment of mortgages receivables

The Company is required to make an assessment of the impairment of mortgages receivable. Mortgages receivable are considered to be impaired when there is objective evidence that one or more events ("loss event") occurred after initial recognition and that loss event (or events) have a negative effect on the estimated future cash flows of that asset. In estimating future cash flows, the Company makes assumptions about the borrower's financial situation, the net realizable value of the underlying property, and the local real estate market conditions. Actual results may differ from those estimates.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS establishes the following fair value hierarchy that categorizes the three levels of inputs used in valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are unobservable for the asset or liability.

(continues)

2. BASIS OF PRESENTATION *(continued)*

When measuring the fair value of an asset or liability, the Company uses relevant observable inputs where possible. Where observable inputs are not available, estimates are required to establish fair values. These estimates take into account the characteristics of the asset or liability that market participants would take into consideration when pricing the asset or liability, including valuation model inputs such as estimated future cash flows and discount rates.

Mortgages receivable are recorded at amortized cost. Fair value of mortgages receivable is established by level 3 inputs. Their carrying values approximate their fair value due to their relatively short-term maturities and because market interest rates have not fluctuated significantly since the date at which the loans were entered into.

The fair value of other financial assets and liabilities are also established using level 3 inputs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Initial Recognition and Measurement of Financial Instruments

The Company initially recognizes financial assets and liabilities when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs.

Classification and Subsequent Measurement

Financial instruments are classified as one of the following: (i) fair value through profit and loss ("FVTPL"), (ii) held to maturity investments, (iii) loans and receivables, (iv) available-for-sale, or (v) financial liabilities. The classification of financial assets at initial recognition depends on the nature and purpose of the financial instrument.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial measurement, loans and receivables are measured at amortized cost using the effective interest method, less impairment.

Financial assets classified as loans and receivables include cash, accounts receivable and mortgage receivables.

(ii) Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method subsequent to initial measurement.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, accounts payable to management company, dividends payable and due to shareholder.

Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. These costs are costs that would not have been incurred if the Company had not acquired, issued, or disposed of the related financial instrument. Transaction costs are capitalized and amortized over the life of the financial instrument using the effective interest method, except for transaction costs relating to financial instruments classified as fair value through profit or loss, which are included in profit or loss in the period the transaction costs are incurred.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument.

Derecognition of Financial Instruments

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire; or
- the Company transfers the the contractual rights to receive the cash flows of the financal asset and has transferred substantially all the risks and rewards of ownership of the asset; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the assets, and has not retained control of the asset.

On dercognition of a financial asset, the difference between the carrying amount and (i) the consideration received and (ii) any cumulative gain or loss that had been recognized in other comprehensive income shall be recognizes in profit or loss.

Financial liabilities are derecognized when the obligation specified in the contract is discharged or cancelled or expires. Where a financial liabilty is replaced by another financial liability of substantially different terms from the same lender, the transaction is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Accounts receivable

Accounts receivable represents accrued interest due in the following month and mortgage receipts outstanding at year end.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Mortgages Receivable

Mortgages receivable are recognized initially at fair value. Subsequently measured at amortized cost using the effective interest method, which also represents the unpaid principal amount, less any allowances for mortgage impairment.

The Company reviews mortgages receivable at each financial statement date to assess for objective evidence of impairment. Mortgages receivable are considered to be impaired if objective evidence indicates that one or more loss events have occurred after its initial recognition that have a negative effect on the estimated future cash flows of mortgages receivable.

The Company considers impairment on mortgages receivable on a specific asset level whereby each mortgage is assessed for specific impairment. In assessing for specific impairment, the Company considers the borrower's financial situation, the net realizable value of the underlying property, and the local real estate market conditions. An impairment loss is calculated as the difference between a mortgage's carrying amount and the present value of the estimated future cash flows discounted at the mortgage receivable's original effective interest rate. The amount of the impairment loss is recognized in profit or loss. When a subsequent event indicates an improvement, the previously recognized impairment loss is reversed to the extent of the improvement, provided it is no greater than the carrying amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in profit or loss.

Revenue recognition

Administration fees are recognized when services are provided and collection is reasonable assured.

Interest on mortgages is accrued as earned until such time as a loan is classified as impaired. Interest earned on an impaired mortgage is recognized in earnings only if the carrying value of the loan is considered fully collectible.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Risk management

Interest Rate Risk

Interest rate risk arises from a mismatch of terms on borrowings to terms on the mortgage investments. A significant portion of the investment portfolio is short term in nature and all of the mortgages have a fixed interest rate which is significantly higher than the bank prime rate. The Company receives its financing by issuing treasury preferred shares, which mitigates interest rate risk.

Credit Risk

Credit risk arises from the possibility that mortgagors may experience financial difficulty and be unable to fulfill their mortgage commitments. The Company mitigates its credit risk by imposing several processes which include:

- The employment of qualified and experienced loan underwriters;
- The investigation of the creditworthiness of all borrowers;
- The engagement of qualified independent consultants such as lawyers and real estate appraisers dedicated to protecting the Company's interests;
- The prompt initiation of recovery procedures on overdue mortgages; and
- Review and approval of each mortgage by at least two of the Company's directors.

Management has the responsibility for ensuring that the credit risk management is adequate. The Company reviews its policies regarding its lending limits on an ongoing basis. The amount of the Company's mortgages on origination do not exceed 80% of the collateral value. The collateral held as security by the Company consists of residential real estate in British Columbia.

Management reviews the credit quality of the mortgages on a regular basis to confirm whether the quality of the underlying security is maintained and if credit conditions have deteriorated, suitable action is taken. The maximum potential loss on the mortgages receivable is equal to the carrying amount. Management determined that no mortgages were impaired.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Market risk

Market risk arises as a result of changes in conditions which affect real estate values. These market changes may be regional or national in nature or may revolve around a specific product type. To manage these risks, management ensures that the loan underwriters are aware of the market conditions that affect each mortgage application and the impact that any changes may have on security for a particular loan. Management monitors changes in the market on an ongoing basis and adjusts the Company's lending practices and policies when necessary to reduce the impact of the above risks. As of year end, 100% of the Company's mortgages are residential mortgages.

The Company is also exposed to market risk when market conditions negatively affect market interest rates. Since the Company's mortgages receivable are entirely financed by redeemable preferred shares, which are not subject to changes in interest rates, a negative effect on interest rates negatively affects the Company's ability to earn interest income from mortgages receivable. Based on the assumption that all of the Company's net assets could be reinvested in mortgages receivable, if the Company's net assets as at December 31, 2015 were invested at mortgages receivable at an interest rate 1% lower than the average interest rate at December 31, 2015, earnings would decrease earnings by $19,954.

Liquidity risk

Liquidity risk arises as a result of changes in conditions which cause the Company to encounter difficulties in meeting obligations associated with financial liabilities.

The redeemable preferred shares provide the holders of the preferred shares the right to request the Company to redeem all or a portion of their shares. To manage the redemption of the preferred shares, management requires 90 days request notice prior to fiscal year end, with share redemptions completed after the year end audit, as funds are available. The Company intends to redeem the preferred shares through the operating cash flows. In the event that a redemption cannot be accommodated through operating cash flows, the retraction rights of the preferred shares provide that the Company shall not be obligated to redeem more than amounts specified in Note 5.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes

The Company is a Mortgage Investment Corporation under the Canadian Income Tax Act. As such, it is permitted, for tax purposes, to deduct from income dividends paid to shareholders during the year and within ninety (90) days thereafter. The Company intends to continue conducting its affairs in such a manner as to continue qualifying as a Mortgage Investment Corporation under the Income Tax Act (Canada).

The Company intends to distribute as dividends, quarterly and no later than ninety (90) days after its year end, an amount at least equal to its income for tax purposes. Dividends paid by the Company are deemed, under the law, to be interest income when received by the shareholders.

Income taxes are recorded on a tax allocation basis. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for the estimated income tax consequences attributable to differences between the financial statement carrying amount of assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are recognized using enacted income tax rates. The effect of changes in effective income tax rates is recognized in income in the period in which the change occurs. Future income tax assets are recognized with respect to deductible temporary differences and loss only to the extent their realization is considered more likely than not.

Recent accounting pronouncements

IFRS 9, Financial Instruments ("IFRS 9")

In July 2014, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments to replace International Accounting Standards 39 ("IAS 39"), International Financial Reporting Interpretations Committee 9 ("IFRIC 9"), and earlier version of IFRS 9 as issued in November 2009 ("IFRS 9 (2009)"), October 2010 ("IFRS 9 (2010)"), and November 2013 ("IFRS 9 (2013)"). Application of IFRS 9 is mandatory for reporting periods beginning on or after January 1, 2018 with an option for early adoption. The Company will not early-adopt IFRS 9 and is currently assessing the impact of this transition.

4. MORTGAGES RECEIVABLE

The following mortgages are residential first or second mortgages that have fixed interest rates ranging from 6% to 11% during the first twelve months of the mortgage and ranging from 8% to 18% during the thirteenth and subsequent months.

	2015	2014
Balance, beginning of year	**$ 1,210,326**	$ 1,377,393
Funds advanced	**1,458,015**	471,043
Repayments	**(682,605)**	(638,110)
Subtotal	**1,985,736**	1,210,326
Less, current portion	**(1,678,736)**	(860,326)
	$ 307,000	$ 350,000

Mortgage portfolio summary

	Number of mortgages	Amortized cost and fair value
6% - 9%	$ 9	$ 1,670,736
9% - 11%	4	315,000
	13	$ 1,985,736

5. REDEEMABLE PREFERRED SHARES

The following shares were issued and redeemed at $1 each.

	2015	2014
Preferred shares, beginning	**$ 1,706,955**	$ 1,373,513
Shares issued	**227,500**	269,150
Shares redeemed	**(23,026)**	(12,663)
Increase in recoverable commissions	**295**	(3,657)
Shares purchased by dividends reinvested	**83,678**	80,612
Preferred shares, ending	**$ 1,995,402**	$ 1,706,955

Recoverable commissions represent commissions relating to the initial issuance of preferred shares, which are reduced by management fees waived over five years on a straight-line basis. Should the preferred shareholders redeem their shares prior to the five year term, the remaining commissions will be deducted from the share redemption amounts.

As of December 31, 2015, the Company has 2,031,773 (2014 - 1,743,621) preferred shares outstanding.

Retraction Rights

Subject to the restrictions below, the Company shall purchase the subject shares by paying the shareholder a sum of money equal to the retraction amount for each Preferred Share owned by that holder multiplied by the number of Preferred Shares being redeemed. The retraction amount payable will be equal to the lesser of the following amounts (the “Retraction Amount”):

(a) $1.00 per Preferred Share plus any declared but unpaid dividends, less the following discounted amounts:

(i) by 6% if a redemption is requested in the first eligible redemption year;

(ii) by 5% if a redemption is requested in the second eligible redemption year;

(iii) by 4% if a redemption is requested in the third eligible redemption year;

(iv) by 3% if a redemption is requested in the fourth eligible redemption year;

(v) and 0% thereafter; or

(b) the book value as set out in the Company’s upcoming year end audited financial statements.

(continues)

5. REDEEMABLE PREFERRED SHARES *(continued)*

	2015	2014

The Company requires a 90-day written notice from the preferred shareholders for redemption requests, prior to fiscal year end with share redemptions completed after the year end audit, as funds are available. The Company has the right to refuse redeeming all or part of the preferred shares if such redemption will cause the Company to become insolvent or cause the Company to not qualify as a mortgage investment corporation.

If the redemption amount is not paid, in whole or in part, within 60 days after the completion of the Company's audited financial statements for the year in which the redemption was requested, the Company will pay interest from the date of the fiscal year-end following the redemption notice until payment of the Retraction Amount equal to the rate of return, if any, earned on Preferred Shares after the fiscal year-end following the retraction notice, calculated:

(a) on the basis of the Company's audited financial statements for the period for which same are available; or

(b) otherwise, on the basis of the Company's unaudited financial statements.

6. SHARE CAPITAL

Authorized:

100,000,000	Common voting shares without par value
50,000,000	Preferred non-voting, retractable shares with a par value of $1.00 each

		2015	2014
Issued and fully paid:			
250	Common voting shares without par value	**$ 25**	$ 25

7. CAPITAL DISCLOSURE

The Company's objective in managing capital is to maximize shareholders' value while balancing the interests of both creditors and shareholders.

The capital structure of the Company consists of common and preferred shareholders' equity.

Continuous oversight and control of the capital structure is maintained by management. Management monitors preferred shareholder's redemption requirements and ensures sufficient cash is available to meet its obligations.

8. COMMITMENTS

The Company entered into a management agreement for financial and administrative services with a company controlled by one of the directors. The management company is entitled to a fee of up to 3.5% of the average annual assets under administration calculated at end of each year.

9. RELATED PARTY TRANSACTIONS

During the year, the Company has been charged management fees of $23,858 (2014 - $20,660) by its managing company, of which $11,220 (2014 - $9,450) has been waived and netted against preferred share issuing costs.

All related party transactions are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related companies.

10. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of chartered professional accountants. Some of the comparative figures have been reclassified to conform to the current year's presentation.

ITEM 13: DATE AND CERTIFICATE

Dated: June 30, 2016

This offering memorandum does not contain a misrepresentation.

WESTWOOD MORTGAGE CORPORATION
Per:

"Alan J. Kelly"

Alan J. Kelly, President & Director

"Heather M. Jiwan"

Heather M. Jiwan, Secretary & Director

"Alan J. Kelly"

ALAN J. KELLY, in his capacity as a director
of Westwood Mortgage Corporation

"Heather M. Jiwan"

HEATHER M. JIWAN, in her capacity as a director
of Westwood Mortgage Corporation

Westwood Mortgage Corporation - Addendum "A"

Table of Annualized Returns (Historical)

	Return Annualized	Paid From
Q2 2016	6%	Net Earnings
Q1 2016	6%	Net Earnings
Q4 2015	6%	Net Earnings
Q3 2015	5.75%	Net Earnings
Q2 2015	6%	Net Earnings
Q1 2015	6%	Net Earnings
Q4 2014	6%	Net Earnings
Q3 2014	6%	Net Earnings
Q2 2014	6.5%	Net Earnings
Q1 2014	6.5%	Net Earnings
Q4 2013	6.5%	Net Earnings
Q3 2013	6.5%	Net Earnings
Q2 2013	6.5%	Net Earnings
Q1 2013	6.5%	Net Earnings
Q4 2012	6.5%	Net Earnings
Q3 2012	6.25%	Net Earnings
Q2 2012	6%	Net Earnings
Q1 2012	6%	Net Earnings
Q4 2011	7%	Net Earnings
Q3 2011	7%	Net Earnings
Q2 2011	7%	Net Earnings
Q1 2011	7%	Net Earnings
Q4 2010	7%	Net Earnings
Q3 2010	7%	Net Earnings
Q2 2010	7%	Net Earnings
Q1 2010	6.6%	Net Earnings

Dividends are generally paid from the net earnings (earnings after expenses and allowances) of the company. Historical dividend payment numbers are for reference purposes, and are not an assurance of future earnings. The company intends to continue to make dividend payments going forward, on a best efforts basis, based on continued positive earnings. Please refer to "Item 8: Risk Factors" in the OM for information on factors that could affect the earnings of the company.

Management is currently not aware of any situations that would affect the value of the portfolio.

There are currently 0 mortgages in arrears representing 0% of the portfolio.

Westwood Mortgage Corporation - Addendum "B"

Mortgage Portfolio

Westwood Mortgage Holdings as of June 30, 2016

Mortgaged Property	Mortgage Amount	Interest Rate	Fees	Term	Maturity	Status	Appraisal Amount	Appraisal Date	LTV	Total Mtgs
Signal Court, Coquitlam, BC	120,000 2nd Mtg	9.00%	2,400	13 mon	May 1, 2017	Current	711,000	2015 BC Assessment	37.50%	$266,621
Gislason Ave, Coquitlam, BC	132,000 2nd Mtg	8.50%	1,321	13 mon	January 1, 2017	Current	970,000	October 5, 2015	60.63%	$588,074
Francis Ave, Langley, BC	130,000 2nd Mtg – Interalia	9.25%	0	13 mon	December 1, 2016	Current	$2,385,000	September 24, 2013	78.70%	1,877,000
Lot 21, Gibsons, BC	423,139.18 1st Mtg	8.00%	10,800	13 mon	October 1, 2016	Current	550,000	March 21, 2016	76.93%	423,139.18
E 27th Ave, Vancouver, BC	116,000 3rd Mtg	8.00%	$2,400	13 mon	August 1, 2016	Current	784,000	2015 BC Assessment	50.51%	396,000
Franklyn Rd, Kelowna, BC	150,000 1st Mtg	6.75%	2,250	13 mon	Nov 1, 2016	Current	210,000	September 4, 2015	71.43%	150,000
Rochester Ave, Coquitlam, BC	100,000 2nd Mtg	8.00%	$1,000	13 mon	January 1, 2017	Current	$940,000	November 23, 2015	60.74%	570,999
Cameron Cres, Abbotsford, BC	75,000 2nd Mtg	6.85%	$750	13 mon	January 1, 2017	Current	$330,000	2015 BC Assessment	58.79%	194,000
Carnarvon St, New West, BC	88,394.67 2nd Mtg	12.00%	$2,250	13 mon	July 1, 2017	Current	$420,000	April 27, 2016 Appr	77.44%	325,250
Buchanan Ave, New West, BC	410,000 2nd Mtg	3.00%	$4,100	2 mon	August 1, 2016	Current	1,165,000	CPS – Sold Price	54.51%	635,000
Holdom Ave, Burnaby, BC	220,000 2nd Mtg	6.50%	$3,300	25 mon	July 1, 2018	Current	1,500,000	May 19, 2016	59.8%	897,000
Perkul Place, PoCo, BC	65,000 2nd Mtg	10.00%	$650	7 mon	January 1, 2017	Current	825,000	June 3, 2016 Appraisal	73.57%	607,000
Mortgage Holdings	2,029,533.85		29,721				10,790,000			6,930,083
Cash Holdings	$42,002.01									

*There is currently $70,000 out in Deposit Loans.

Westwood Mortgage Corporation - Addendum "C"

Share Retraction requests

	Retraction Requests	Honoured?	Source of Funds
2015	0	N/A	N/A
2014	2	Yes	Share Capital
2013	1	Yes	Share Capital
2012	3	Yes	Share Capital
2011	1	Yes	Share Capital
2010	0	N/A	N/A

Westwood Mortgage Corporation - Addendum "D"

Sale / Issuance of Shares

Year/Month	Starting Share Capital	Number of Shares Issued	Number of Shares Redeemed	Ending Share Capital Balance
Jun-15	$1,856,914.90	$22,390.96	$0.00	$1,879,305.86
Jul-15	$1,879,305.86		$0.00	$1,879,305.86
Aug-15	$1,879,305.86		$0.00	$1,879,305.86
Sep-15	$1,879,305.86	$40,000.00	$0.00	$1,919,305.86
Oct-15	$1,919,305.86	$112,467.90	$0.00	$2,031,773.76
Nov-15	$2,031,773.76		$0.00	$2,031,773.76
Dec-15	$2,031,773.76		$0.00	$2,031,773.76
Jan-16	$2,031,773.76	$23,928.12	$0.00	$2,055,701.88
Feb-16	$2,055,701.88	$10,000.00	$0.00	$2,065,701.88
Mar-16	$2,065,701.88	$39,000.00	$0.00	$2,104,701.88
Apr-16	$2,104,701.88	$23,819.53	$0.00	$2,128,521.41
May 16	$2,128,521.41	$0.00	$0.00	$2,128,521.41
Jun-16	$2,128,521.41	$11,800.00	$0.00	$2,140,321.41*

*Prior to Q2 2016 dividends issued on July 1, 2016