OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Dated the 30th day of June, 2015

The Issuer	AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION (the "Corporation")
Head Office:	Suite #600 - 11012 Macleod Tr. SE, Calgary, Alberta T2J 6A5 Telephone: (403) 254-9075/Facsimile: (403) 254-9087 Email: fahn@awcapital.ca
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:	Class "B" non-voting shares in the capital of the Corporation (the "Class B Shares").
Price Per Share:	$100.00 per share.
Minimum Offering	**There is no minimum. You may be the only purchaser**.
Maximum Offering:	120,000 Preferred Shares for gross proceeds of $12,000,000. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum Subscription Amount:	There is no minimum subscription amount an investor must invest.
Payment Terms:	Payment by certified cheque or bank draft to "AWM Diversified Mortgage Investment Corporation"
Proposed Closing Date(s):	The initial Closing is expected to occur on or before June 30, 2015, but Closings may occur at such other earlier or later date, or dates, as determined by the Corporation in its sole discretion.
Income Tax Consequences:	There are important tax consequences to these securities. See Item 6 -"Canadian Federal Income Tax Consequences and RRSP Eligibility"
Selling Agent:	Yes. Commissions are authorized to arm's length sellers/finders. The Corporation is a "connected issuer" to Alta West Capital Corporation, as defined in NI 33-105 Underwriting Conflicts. Alta West Capital Corporation is a registered Exempt Market Dealer within the Province of Alberta. The Corporation is a connected issuer to the Manager, in its capacity as EMD, because of the following relationships: Charles McKitrick indirectly owns 89.9% of the issued and outstanding voting shares of the Manager. Further, Charles McKitrick is a director and officer of both the Manager and the Corporation, and is a voting shareholder of the Corporation, holding 9.1% of the issued voting shares. Jared Morrison indirectly owns 10.1% of the issued and outstanding voting shares of the Manager, is a director of the Corporation and an officer of the Manager and is a voting shareholder of the Corporation, holding 9.1% of the issued voting shares. See Item 7 - "Compensation Paid to Sellers and Finders" and Item 2 - "The Manager".

Resale restrictions: The Corporation is not a reporting issuer or equivalent in any jurisdiction. You will be restricted from selling your securities for an indefinite period. See Item 10 - "Resale Restrictions."

Purchaser's rights: You (herein sometimes referred to as the "**Investor**") 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 the agreement. See Item 11 - "Purchasers' Rights."

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

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NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain information in this Offering Memorandum is "forward looking information" within the meaning of applicable securities laws. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur. Forward looking information involves significant known and unknown risks and uncertainties. A number of factors, many of which are beyond the control of the Corporation, could cause actual results to differ materially from the results discussed in the forward looking information. Although the forward looking information contained in this Offering Memorandum is based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with this forward looking information. Because of the risks, uncertainties and assumptions inherent in forward looking information, prospective investors in the Corporation's securities should not place undue reliance on this forward looking information.

In particular, this Offering Memorandum contains forward looking information pertaining to the following:

- business development plans and estimated timing;
- business strategy and plans;
- other expectations, beliefs, plans, goals, objectives, assumptions, information; and
- statements about possible future events, conditions, results of operations or performance.

Often, but not always, forward-looking information uses words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurances that future results, levels of activity, performance or achievements will occur as anticipated. Information regarding sales revenues, plans for ongoing development, and potential acquisitions assumes that the prevalent economic conditions will not materially affect the business in a manner greater than anticipated.

Undue reliance should not be placed on forward-looking information. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks which could cause actual results to vary and, in some instances to differ materially from those anticipated by the Corporation and described in the forward-looking information contained in this Offering Memorandum. The material risk factors include, but are not limited to:

- the risks of the competition within the Corporation's business;
- the risk and changes of international, national and regional economic and business conditions;
- the uncertainty of estimates and projections relating to the real estate industry;
- fluctuations in interest rates;
- uncertainties as to the availability and cost of financing and changes in capital markets;
- adverse changes in real estate prices or other changes that negatively impact the real estate market;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- the Corporation's ability to implement its business strategy.

The foregoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect the Corporation's operations or financial results are included under the heading "Risk Factors" in this Offering Memorandum. Forward-looking information is based on the estimates and opinions of the Corporation at the time the information is presented. The Corporation assumes no obligation to update forward-looking information should circumstances or the Corporation's estimates or opinions change, except as required by law.

PROSPECTIVE INVESTORS SHOULD THOROUGHLY REVIEW THIS OFFERING MEMORANDUM AND ARE ADVISED TO CONSULT WITH THEIR OWN LEGAL AND TAX ADVISORS CONCERNING THIS INVESTMENT.

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SUMMARY

This summary does not constitute an offering of securities, and cannot be relied upon for making your investment decision. It is a summary of the more detailed information appearing elsewhere in this Offering Memorandum and is qualified by such information.

Offering:	120,000 Class B Shares for gross proceeds of $12,000,000.
Price:	$100.00 per Class B Share.
Subscription Procedure:	A fully executed Subscription Agreement, including all associated applicable forms as outlined in the subscription documentation, must be delivered with a bank draft or certified cheque for the full subscription price payable to Corporation.
Closings:	The initial Closing is expected to occur on or before June 30, 2015, but may occur at such other earlier or later date, or dates, as determined by the Corporation.
The Corporation:	The Corporation was incorporated as Dominion Properties Mortgage Investment Corporation on June 29, 2004 under the laws of the Province of Alberta. On September 15, 2008, the Corporation changed its name to AWM Diversified Mortgage Investment Corporation. See Item 2 - "Business of the Corporation".
Principal Business:	The Corporation is a mortgage investment corporation, or MIC. As such, it is a company whose primary business is lending secured by residential and commercial mortgages. The Corporation may also make other secured and unsecured investments where permitted of a MIC under the Tax Act. See Item 2 - "Business of the Corporation".
Use of Available Funds:	The available funds of the Offering will be principally used to invest in Mortgage Investments in accordance with the Corporation's investment practices and restrictions. See Item 1 - "Use of Available Funds", Item 2 "Business of the Corporation" and Item 7 - "Risk Factors".
Risk Factors:	An investment in the Class B Shares offered hereunder is subject to a number of risk factors. Interested parties should carefully consider the detailed description of these risk factors as outlined under the heading "*Risk Factors*". However, such risk factors should not be considered exhaustive.
Directors and Officers of the Corporation:	George Botros — President and Director Charles McKitrick — Vice-President and Director Jared Morrison — Director Fahn Bacon — Secretary-Treasurer
Investors' Rights:	Each Investor has certain statutory or contractual rights of rescission, withdrawal and damages. See Item 11 - "Purchaser's Rights".
Commissions and Finder's Fees:	It is currently contemplated that the Preferred Shares offered hereunder will primarily be sold through the Manager pursuant to the Management and Administration Agreement. The Manager will not receive any commission or finder's fee directly related to selling such Preferred Shares. The Manager is however compensated for providing management services, which includes services as an EMD, by an annual fee equal to 2% per annum of the assets of the Corporation under management, calculated and paid at the end of each fiscal quarter, plus applicable taxes. See Item 2.7 - "Material Agreements, Management and Administration Agreement". Apart from any fees payable to the Manager pursuant to the Management and Administration Agreement, the Corporation may pay up to 5% of the Gross

Proceeds realized on the sale of Preferred Shares sold by one or more arm's length EMDs and, in some cases, the Corporation may pay dealing representatives of the Manager, on a quarterly basis, an amount equal to 1.0% of the aggregate gross proceeds of the sale of Shares sold by those dealing representatives for as long as those Shares remain issued and outstanding. In addition, the Corporation may pay arm's length EMDs a cash trailer fee (a "Trailer Fee") in respect of investment monies raised by the arm's length EMDs. Trailer Fees on Preferred Shares are to be calculated at the end of the second, third, fourth and fifth fiscal year ends in which the investment monies raised by the EMD remain invested in the Corporation, and paid within 30 days thereafter. In no event shall a Trailer Fee exceed 1.00% per annum of the investment monies raised by the EMD from the sale of Preferred Shares. As further discussed below, when interest rates on Mortgage Investments are relatively high but fees charged to borrowers are low, the Corporation may pay the Manager an additional amount (the "Additional Fees"), not to exceed an amount equal to 2.00% of interest paid by borrower under the terms of the Mortgage Investment.

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DEFINITIONS

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

ABCA	means the *Business Corporations Act* (Alberta) as amended from time to time.
Alta West	means the Manager, Alta West Mortgage Capital Corporation, a private Alberta company that is non-arm's length to the Corporation. Also see definition of the "Manager".
Applicable Laws	means all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Policies.
Auditors	means the auditors of the Corporation as elected by the Class A shareholders from time to time. As at the date hereof, the Auditor is Czechowsky & Graham, Chartered Accountants of Calgary, Alberta.
Blanket Mortgage	means a mortgage in respect of two or more parcels of real property.
Class B Shares	means the Class B non-voting shares in the capital of the Corporation being offered hereunder. See Item 5 - "Securities Offered".
Closing(s)	means one or more closings of this Offering. The Initial Closing is tentatively scheduled to be June 30 2015, but may occur at such other earlier or later date, or dates, as the Corporation may determine in its sole discretion.
Commercial Mortgages	means First Mortgages or Second Mortgages that are principally secured by multi-family housing projects, residential land developments and income-producing properties that have retail, commercial, service, office and/or industrial uses.
Common Shares	means the Class "A" voting common shares in the capital of the Corporation.
Credit Facility #1	means the credit facility agreement entered into between the Corporation, Karis Holdings Ltd., Colin B. Wiebe, Bryce McDougall, Dan Schleppe and Brad McDougall, effective May 9, 2013.
Credit Facility #2	means the credit facility agreement entered into between the Corporation and AWM Balanced Mortgage Investment Corporation effective March 1, 2011.
EMD	"EMD" means a registered Exempt Market Dealer, as such term is defined in NI 31-103.
Gross Proceeds	means for any period, the aggregate subscription amounts raised under this Offering, without deduction.
First Mortgage	means a mortgage having priority over all other security interests registered against the same real property used to secure such mortgage.
Investors	mean those persons who are considering, or have subscribed for Preferred Shares under this Offering.
Initial Closing	means June 30, 2015, or such other date as the Corporation may determine.
Lending Committee	means the lending committee appointed by the Manager.
Loan to Value Ratio	means the mortgage amount registered against real property divided by the appraised

value of the real property.

Management and Administration Agreement	means the agreement dated June 30, 2015 between the Corporation and the Manager, respecting the provision of management and administration services relating to the mortgage investment portfolio of the Corporation.
Manager	means Alta West Mortgage Capital Corporation, a private Alberta company that is non-arm's length to the Corporation. See Item 2 - "Business of the Corporation".
MIC	means Mortgage Investment Corporation, as defined under the Tax Act.
Mortgage Investment	means a loan to a borrower which is secured by a Commercial Mortgage or a Residential Mortgage.
Net Proceeds	means, at any time, the gross proceeds of the Offering less any fees payable to the Manager as set forth in this Offering Memorandum, selling commissions and fees and the expenses of the Offering, all as more particularly described in the table contained in Item 1 - "Use of Available Funds".
Offering	means the offering of 120,000 Class B Shares described herein.
Offering Memorandum	means this confidential offering memorandum, including any amendment hereto.
Offering Memorandum Exemption	means the exemption from registration and prospectus requirements listed under section 2.9 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.
Permitted Investment	means an investment, other than a Mortgage Investment, which is permitted to be made by a MIC, such as the Corporation, pursuant to the Tax Act. Permitted Investments may be debt or equity, secured or unsecured, and they may be evidenced by a promissory note, loan agreement, or other form of evidence of an indebtedness, and the investment may or may not be made with a party related to the Corporation. See Item 8 - "Risk Factors".
Person	means any individual, company, corporation, limited partnership, general partnership, firm, joint venture, syndicate, trust, joint stock company, limited liability corporation, association, bank, pension fund, business trust or other organization, whether or not a legal entity, and any government agency or political subdivision thereof or any other form of entity or organization.
Portfolio	means the portfolio of First Mortgages, Second Mortgages, Third Mortgages and any Permitted Investments held by the Corporation.
Registered Plans	means a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan or a tax free savings account, all as defined in the Tax Act, and "Registered Plan" means any one of them.
Residential Mortgages	means mortgages that are principally secured by single family houses, and multi-family residential properties.
Second Mortgage	means a mortgage that has second place priority over all other registered security interests against the same real property used to secure such mortgage.
Securities Act(s)	means the *Securities Acts* of British Columbia, Alberta, Saskatchewan and Manitoba, as may be amended from time to time.
Securities Policies	means the *Securities Acts* of the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba and all applicable securities policies, rules, instruments and legislation adopted by the Securities Commission of such provinces, as such may

be amended from time to time.

Subscribers	mean those Persons subscribing for Class B Shares pursuant to this Offering, and "Subscriber" means any one of them. Where a Subscriber has acquired Class B Shares and all or a portion of the subscription amount has been contributed by their Registered Plan, such subscriber and the trust governing the Registered Plan shall be collectively referred to as the "Subscriber".
Subscription Agreement	means the document signed by interested parties indicating their desire to purchase Class B Shares and acknowledging all of the rights, limitations and characteristics of their investment in the Class B Shares, particularly with respect to applicable securities regulation.
Subscription Price	means $100.00 per Class B Share.
Tax Act	means the *Income Tax Act* (Canada) and its regulations, as amended from time to time.
Third Mortgage	means a mortgage that has third place priority over all other registered security interests against the same real property used to secure such mortgage.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

The Net Proceeds of the Offering and the funds that will be available to the Corporation after this Offering are as follows (there is no minimum offering):

		Assuming Minimum Offering[4]	Assuming Maximum Offering
A	Amount to be raised by the Offering	$0	$12,000,000
B	Selling Commissions and Fees[1]	$0	$600,000
C	Estimated Offering Costs[2]	$0	$30,000
D	Net Proceeds: D = A – (B + C)	$0	$11,370,000
E	Additional Sources of Funding[5]	$0	$10,000,000
F	Working Capital Deficiency[3]	$0	$0
G	Total: G = (D+E) – F	$0	$21,370,000

Notes:

(1) This assumes the full amount of authorized commission or finder's fees are paid to EMDs. The Corporation does not anticipate that all authorized commissions will be paid in connection with the Offering. The amount also excludes the following: (i) all fees paid to the Manager pursuant to the Management and Administration Agreement, including those in respect of the Manager's services as an EMD; (ii) all trailer fees the Corporation intends to pay to arm's length EMDs, and (iii) any Additional Fees payable by the Corporation to the Manager. See Item 7 - "Compensation Paid to Sellers and Finders" and Item 2.7 - "Material Agreements – Management and Administration Agreement".

(2) Legal, accounting and audit.

(3) As of June 30, 2015 the Corporation did not have a Working Capital Deficiency. Working Capital is calculated as Current Assets – Current Liabilities. See Schedule "A", "Financial Statements".

(4) There is no minimum offering, meaning the Corporation may raise no funds under this Offering.

(5) This amount represents the total credit available to the Corporation under Credit Facility #1 and Credit Facility #2 and assumes the total amount available under each Credit Facility will be utilized. See Item 2 - "Our Business - Leverage", Item 2.7 - "Material Agreements" and Item 8.2 "Risk Factors - Borrowing and Leverage".

1.2 Use of Available Funds

The Corporation intends to use the net proceeds following the Offering as follows:

Use of Available Funds	Assuming Minimum Offering	Assuming Maximum Offering
Fees payable to Manager[1]	$0	$240,000
Investment in Mortgages and other permitted investments, including secured or unsecured promissory notes [2] [3]	$0	$21,130,000
Total	($30,000)	$21,370,000

(1) Fees are payable pursuant to the Management and Administration Agreement. The amount excludes any Trailer Fees the Corporation intends to pay to arm's length EMDs and also excludes any Additional Fees payable by the Corporation to the Manager. See Item 2.7 - "Material Agreements - Management and Administration Agreement" and Item 7 - "Compensation Paid to Sellers and Finders" for a summary of the Trailer Fees and Additional Fees which may be paid in connection with the Offering. As the Corporation and the Manager are related parties, the Management and Administration Agreement is a non-arm's length transaction. See Item 2 - "Business of the Corporation– The Manager" and Item 2.7 - "Material Agreements - Management and Administration Agreement" and Item 8 - "Risk Factors – Conflicts of Interest".

(2) Although specific mortgage investments cannot be identified at this time, the Corporation will invest the available funds in Residential and Commercial Mortgages as more particularly described under the heading "Business of the Corporation".

(3) Permitted Investments do not comprise a significant component of the Corporation's investment activities. Any Permitted Investments currently held by the Corporation are identified in the financial statements attached to this Offering Memorandum. Also See Item 2 - "Business of the Corporation - Mortgage Portfolio Summary".

Until required, the available funds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies, or the Province of Alberta Treasury Branches. The available funds will not be commingled with the accounts of the Manager.

1.3 Reallocation

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

ITEM 2 BUSINESS OF THE CORPORATION

Some of the information under this section "Business of the Corporation" and the subheadings thereunder includes forward-looking information, future-oriented financial information or provides financial outlooks. Actual results or events can differ materially from these anticipated. The purpose of providing such information is to assist Investors in understanding the financial and logistical issues related to financing real estate through mortgages in the context of their potential investment. See Item 8 - "Risk Factors".

2.1 Structure

The Corporation was incorporated under the name Dominion Properties Mortgage Investment Corporation pursuant to the *Business Corporations Act* (Alberta) ("ABCA") on June 29, 2004.

On September 15, 2008, the Corporation changed its name to AWM Diversified Mortgage Investment Corporation. Its head and principal office is located at Suite #600 - 11012 Macleod Tr. SE, Calgary, Alberta T2J 6A5 and the registered and records office is located at 300, 14505 Bannister Road SE, Calgary, Alberta, T2X 3J3. The Corporation has no subsidiaries. See Item 3 - "Directors, Management, Promoters and Principal Holders".

The Corporation was extra-provincially registered in British Columbia on October 20, 2006, and may register extra-provincially in the future to conduct business in other Canadian jurisdictions as may be approved by the Corporation's directors.

2.2 Our Business

Mortgage Investment Corporation

The Corporation is a "Mortgage Investment Corporation" (or MIC) as defined in the Tax Act. It is in the business of investing in mortgages which have been granted by mortgagors to the Manager, or other nominees, as security for loans advanced to builders, developers and owners of commercial, industrial and residential real estate located in the provinces of Alberta and British Columbia, Manitoba and Ontario. These mortgages will be registered against specific parcels of real estate allowing the Corporation and the Manager (or its nominee) to be secured creditors of the mortgagors.

In addition to Mortgage Investments, the Corporation may invest in other Permitted Investments. Permitted Investments are investments other than Mortgage Investments which are permitted to be made by a MIC pursuant to the Tax Act. Permitted Investments may be debt or equity, secured or unsecured, and they may be evidenced by a promissory note, loan agreement, or other form of evidence of indebtedness, and the investment may or may not be made with a party related to the Corporation. Permitted Investments do not comprise a significant component of the Corporation's investment activities. As at the date hereof, the Corporation does not hold any Permitted Investments.

To the extent that the Corporation's funds are not invested in Mortgage Investments and other Permitted Investments, such funds will be held in cash deposited with a Canadian chartered bank or will be invested by the Manager on the Corporation's behalf in short-term deposits, savings accounts or government guaranteed income certificates so that the Corporation maintains a level of working capital for its ongoing operations considered acceptable by the directors of the Corporation.

The Corporation's income primarily consists of interest received on its Mortgage Investments as well as lender fees. Under the Tax Act, the Corporation, as a MIC, is allowed to deduct from income all dividends paid therefrom. Subject to Applicable Laws, the Corporation intends to pay out all of its net income and net realized capital gains as dividends within the time period specified in the Tax Act. As a result, it is not anticipated that the Corporation will be paying any income tax. Historically, the Corporation has provided dividends to holders of Preferred Shares in the range provided for in the table below contained in Item 2.3 - "Development of the Business - Dividends". These historical dividends do not guarantee that the Corporation will maintain the same level of dividends in the future. See Item 2.3 - "Development of the Business - Dividends" and Item 8 - "Risk Factors - Investment Risks – Distributions".

The Manager, Alta West Mortgage Capital Corporation, is responsible for, and the Corporation relies exclusively on the expertise of the Manager to, actively seek Mortgage Investments on behalf of the Corporation, and to oversee and manage the Corporation's Portfolio of Mortgage Investments and Permitted Investments, if any. The Manager is responsible for directing the business, operations and affairs of the Corporation and for managing the funds of the Corporation. In fulfilling its obligations to the Corporation, the Manager has established a Lending Committee. The Lending Committee is comprised of Charles McKitrick, George Botros, Jared Morrison, Brent Shaw and Fahn Bacon, nominees of the Manager. The Lending Committee reviews investment opportunities and decides as to which opportunities to invest based on the Corporation's investment policies and criteria, and Applicable Laws. The Manager will obtain opinions from counsel as it deems necessary in connection with such compliance. This relationship between the Corporation and the Manager is set out in the Management and Administration Agreement, which constitutes a non-arm's length transaction. See Item 2 - "Business of the Corporation – Manager", Item 2.7 - "Material Agreements – Management and Administration Agreement" and Item 8 - "Risk Factors – Conflicts of Interest". As most of the Corporation's operations are carried out by the Manager, the Corporation does not have and does not expect to have any employees other than the officers described in this Offering Memorandum. See Item 3 - "Directors, Management, Promoters and Principal Holders".

Investment Strategies

The Corporation’s objective is to continue to build a mortgage investment portfolio that encompasses the following general characteristics: (i) property type and geographical diversification; (ii) short, intermediate and long-term loans; (iii) payment schedules of either interest only or amortized; and (iv) loans in Canadian dollars on Canadian based real estate. The Corporation utilizes a set of policies to assist it to invest its funds in a forward-looking manner. These policies reflect the goals of the Corporation to develop a diversified portfolio with the intent to limit exposure to adverse market conditions and high-risk investments. See also “Investment Process” and “Mortgage Investment Criteria” below for details on the criteria used in mortgage selection for investment by the Corporation.

The Corporation does not directly employ resources to actively seek or originate mortgages for investment, and it relies exclusively on the expertise of the Manager to provide mortgage investment opportunities. To the extent that the Corporation's funds are not invested in Mortgage Investments or other Permitted Investments, such funds will be held in cash deposited with a Canadian chartered bank or will be invested by the Manager on the Corporation's behalf in short-term deposits, savings accounts or government guaranteed income certificates so that the Corporation maintains a level of working capital for its ongoing operations considered acceptable by the directors of the Corporation.

The Corporation currently conducts business in the provinces of Alberta and British Columbia. The Manager is currently registered as mortgage broker and administrator in the Provinces of Alberta, British Columbia and Ontario and is extra-provincially registered in the Province of Manitoba. The Corporation is a registered lender in both Alberta and British Columbia.

Leverage

The Corporation may utilize leverage (the borrowing of capital for investing in mortgages) from time to time at the discretion of the Manager through the Credit Facility #1 arranged by the Manager with Karis Holdings Ltd., Colin B. Wiebe, Bryce McDougall, Dan Schleppe and Brad McDougall (collectively the “Creditors”), each an arm’s length party who is not related to the Corporation. Subject to complying with the rules to maintain its qualifications as a MIC, under the Credit Facility #1 the Corporation may borrow up to a maximum amount of $3,000,000. The Manager expects that the Corporation will utilize leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #1 will bear interest at a rate not to exceed 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month.

The Corporation has granted the Creditors a first priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation’s Portfolio. **This means that the rights of Investors to interest income paid via dividends and to the return of capital via redemption of Shares or through wind-up and dissolution will be subordinate to the right of the Creditors to be repaid any amounts which may be outstanding under the Credit Facility #1**. See Item 8, “Risk Factors - Borrowing And Leverage”. As of the date of this Offering Memorandum, the outstanding balance owing under the Credit Facility #1 is $1,000,000.

In addition to the Credit Facility #1 as described above, the Corporation may utilize leverage from time to time at the discretion of the Manager through the Credit Facility #2 arranged by the Manager with AWM Balanced Mortgage Investment Corporation ("Balanced"), **a non-arm's length party related to the Corporation**. Balanced is related to the Corporation by virtue of the following relationships: Charles McKitrick is a director, vice-president and voting shareholder of both the Corporation and Balanced. Fahn Bacon is the secretary and a voting shareholder of both the Corporation and Balanced. George Botros is a director and is president of the Corporation and is also a voting shareholder in Balanced. Subject to complying with the rules to maintain its qualifications as a MIC, under the Credit Facility #2 the Corporation may borrower up to a maximum amount of $7,000,000. The Manager expects that the Corporation will utilize leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #2 will bear interest at a rate not to exceed 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month.

The Corporation has granted Balanced a second priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation's Portfolio. This means that the rights of Investors to interest income paid via dividends and to the return of capital via redemption of Shares or through wind-up and dissolution will be subordinate to, on a first priority basis, the Creditors as described above and on a second priority basis, to Balanced, to be repaid any amounts which may be outstanding under the Credit Facility. **Therefore, the rights to Investors to interest income or the return of capital will be in a third priority position behind the Creditors and Balanced**. See Item 8, "Risk Factors - Borrowing And Leverage".

As of the date of this Offering Memorandum, the outstanding balance owing under the Credit Facility #2 is $5,835,569.67.

Investment Process and Mortgage Investment Criteria

The Manager will use an investment process that is focused on identifying high quality Mortgage Investments beginning with the identification of mortgage investment opportunities and the evaluation of their attributes. In the Manager's opinion, high quality mortgage investments are those where (i) the Corporation has a clear exit strategy, (ii) where the underlying real property is reasonably liquid, and (iii) where the borrower has a reasonable amount of equity invested in the underlying real property.

Each prospective mortgage loan is subject to a detailed review process by the Lending Committee. Mortgage Investments that are deemed satisfactory by the Manager upon completion of its due diligence will be presented to the Lending Committee together with a summary report. The Lending Committee will consider each investment opportunity presented to it by the Manager with a view to assessing the appropriateness of the investment opportunity for inclusion in the Portfolio. In considering the adequacy of the underlying real estate asset that is offered as security on the proposed mortgage loan, the Lending Committee will consider, among other things, the following factors:

(a) Mortgage Investment Criteria (identified below)

(b) Exit strategy for the proposed mortgage loan

(c) Default risk of the borrower/mortgagor pursuant to the loan secured by the mortgage

(d) Valuation of the underlying real property

(e) Location of underlying real property

(f) Loan to value ratio

Upon completion of its analysis of an opportunity, the Lending Committee will make a recommendation to the Manager. Only upon a receipt of a positive recommendation will the Manager consider whether it will proceed with a particular Mortgage Investment. When considering each opportunity, the Manager will consider the proposed Mortgage Investment both on a stand-alone basis as well as whether the investment will fit within the requirements of the Portfolio as a whole.

The Manager has established certain policies that the Corporation must follow in respect to how the Corporation may invest its funds in mortgages, which include, but are not limited to, the following:

(a) the Corporation is permitted to invest in a portfolio of both Residential Mortgages and Commercial Mortgages;

(b) the Corporation may invest in a portfolio of First Mortgages, Second Mortgages and Third Mortgages and in addition may also invest in Permitted Investments;

(c) a First Mortgage may not exceed 90% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;

(d) a Second Mortgage may not exceed 90% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;

(e) a Third Mortgage may not exceed 90% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;

(f) mortgages may contain clauses permitting the mortgagor, when not in default, to renew the mortgage for additional terms at the sole discretion of the Corporation;

(g) an investment in, or acquisition of, a mortgage with a single borrower shall not exceed 20% of the cost of the Corporation's assets (a single borrower shall include persons known to be affiliated, as that term is defined in the *Business Corporations Act* (Alberta), with any single borrower);

(h) the Corporation may borrow funds in order to acquire or invest in specific mortgage investments or mortgage portfolios in amounts up to 60% of the book value of the Corporation's portfolio of Mortgages; provided, the interest rate is less than the interest rate charged by the Corporation on the corresponding mortgage investment or portfolios acquired with such borrowed funds; and

(i) the Corporation may participate in mortgages on a syndication basis.

Although the Corporation may invest based on the foregoing policies and guidelines, during the last 3 years, the Corporation has tended to invest primarily in Second Mortgages. These Second Mortgages are typically secured against urban based residential houses. As mentioned above, a "Second Mortgage" means a mortgage that has second place priority over all other security interests registered against the same real property used to secure such mortgage for which the principal amount, at the time of commitment, does not exceed 90% of the appraised value of the underlying real property securing the mortgage as determined by a qualified appraiser.

The Corporation agrees that the Corporation shall not hold the Manager liable for any loss, damages or costs arising out of a failure to collect any amount owing on any particular mortgage after it has been acquired by the Manager for purchase by the Corporation. The Corporation also agrees under the Management and Administration Agreement to indemnify and hold harmless the Manager as well as its officers, directors, employees, shareholders, and agents from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the following, reasonable legal fees and expenses arising from or in connection with any actions or omissions which the Manager takes as Manager under the Management and Administration Agreement, provided that such action or omission is taken in good faith and without gross negligence or is taken pursuant to and is in compliance with the Management and Administration Agreement.

The Manager and its shareholders, directors, officers, agents and employees will have no liability in respect of any act or omission regarding, respecting or relating to the services, duties, and powers performed or to be delivered or performed by those pursuant to the Management and Administration Agreement, except to the extent such act or omission constitutes gross negligence or wilful misconduct. This indemnity survives the removal or resignation of the Manager in connection with any and all of its duties and obligations under the Management and Administration Agreement.

Canadian Mortgage Lending Industry

The real estate investment market in western Canada and Ontario is primarily comprised of residential (including both single and multi-residential), commercial and industrial real property, including unimproved land. Investors in this sector are typically either large institutional investors, such as pension funds and public companies, or smaller entrepreneurial investors, such as privately managed funds and individuals. Most investors in the Canadian real estate market require some form of mortgage financing to acquire or develop real estate.

Since the global credit crisis of late 2008, the amount of debt available for real estate investment has been reduced. Gradual recovery has brought stabilization of housing activity, but at lower levels than pre-recession. Financial institutions, pension funds and other institutional lenders have reduced their availability of commercial debt, likely in part as a result of a need to (i) reduce leverage, (ii) carry larger capital reserves, and (iii) readjust debt-to-equity investments (likely due to the decline in value of equity portfolios and or interest rates for conventional loans being below a lender's cost of capital). In addition, institutions have implemented more consistent and rigid lending practices developed primarily on the underlying fundamentals of properties (specifically, the strength of the locations, leasing, and sponsorship) thereby exacerbating access to debt that would otherwise be secured by those properties.

The current market has created an opportunity for non-conventional lenders to charge premium interest rates for high quality mortgage loans which, prior to the credit crisis, were available at low conventional rates from a variety of sources. This reduction of the availability of mortgage loans since the credit crisis has contributed to the increased number of investment opportunities available to non-conventional lenders which should contribute to a lending environment conducive to the future growth of the Corporation.

Investment Rationale

The Manager has been providing mortgage investment opportunities to investors for in excess of 20 years. The Manager was originally incorporated to provide mortgage brokering services, which it still does, and to act as the manager of Mortgage Investment Corporations which take advantage of a sector of the Canadian mortgage market which the Manager considered under-serviced. What was considered relevant 20 years ago remains so today, in that the Manager considers that due to insufficient competition among Canadian financial institutions and the small number of quality private lenders in the Canadian marketplace, there continues to exist an under-serviced and relatively inefficient market for certain types of mortgages. Specifically, the Manager continues to see an opportunity to invest in shorter-term mortgages to real estate investors who often require faster execution and more flexible terms than Canadian financial institutions are prepared to consider.

The Corporation was originally established, and continues, to take advantage of the Manager's existing mortgage expertise. This provides Investors the opportunity to benefit from, what has historically been and what is expected to continue to be, appealing consistent returns generated by the mortgages in the Corporation's Portfolio.

Registration Requirements

On February 25, 2011, the Canadian Securities Administrators issued CSA Staff Notice 31-323 (the “Notice”) entitled “Guidance Relating to the Registration Obligations of Mortgage Investment Entities”. The effects of the Notice have some very significant consequences to MIC’s with respect to securities regulations in Canada and in particular National Instrument 31-103 (“NI 31-103”). As provided for in NI 31-103, effective March 31, 2011 certain issuers must register with their respective securities commissions as an “investment fund manager” (“IFM”).

NI 31-103 and the Notice make it clear that MICs such as the Corporation must have an IFM because they are investment funds and the Corporation’s board of directors has the power to direct and exercise the responsibility of directing the business and affairs of the Corporation. However, the Corporation has obtained advice from its legal counsel that, pursuant to an appropriately drafted agreement, it is possible for the Corporation to transfer the power to direct and exercise the responsibility of directing the business and affairs of the Corporation to a registered IFM and thus avoid the requirement for the Corporation to register itself as an IFM. Based on this advice, the board of directors of the Corporation engaged the Manager. The Manager is registered pursuant to the Securities Policies as an IFM, a Restricted Portfolio Manager (as that term is defined in the Securities Policies) and an EMD.

By entering into the Management and Administration Agreement (see Item 2.7 - “Material Agreements – Management and Administration Agreement”), the Manager is now fully empowered to direct and exercise the responsibility of directing the business and affairs of the Corporation. This is a very broad power. The Corporation and its board of directors will no longer have this power. This means that all decisions relating to the management and administration of the business and affairs of the Corporation, including all decisions relating to investments to be entered into by the Corporation will now be made by the Manager. The Corporation will retain limited powers, mostly related to fundraising activities. A detailed description of the Management and Administration Agreement is contained below in “Material Agreements - Management and Administration Agreement”.

The Corporation and the Manager are related parties in that Charles McKitrick is a voting shareholder, officer and a director of each of the Corporation and the Manager. Fahn Bacon is a voting shareholder and officer of the Corporation and is an officer of the Manager. George Botros is a voting shareholder and a director of the Corporation and is an officer of the Manager. Jared Morrison is a voting shareholder and director of the Corporation and is an officer of the Manager. Conflicts of interest shall be governed by the provisions of the ABCA. Subsection 120(1) of the ABCA provides that where a director or officer of a corporation is a party to a material contract or proposed material contract with the corporation, or is a director or officer, or has a material interest in any person who is a party to a material contract or proposed material contract with the corporation, three requirements must be met to render the contract enforceable against the corporation: (i) the director or officer must give adequate notice of his or her interest; (ii) the director or officer must not vote on the approval of the contract by the board of directors; and (iii) the contract must be fair and reasonable to the corporation. See "Risk Factors – Conflicts of Interest".

The Manager is also registered as an EMD under Securities Policies and provides EMD services to the Corporation. Accordingly, the Corporation is a "connected issuer" to the Manager as defined in NI 33-105 Underwriting Conflicts. The Corporation is a connected issuer to the Manager, in its capacity as an EMD, because of the following relationships: Charles McKitrick is a voting shareholder of each of the Corporation and, indirectly, the Manager and is a director of each of the Corporation and the Manager.

The Manager, in its capacity as an EMD, has had no involvement in the decision to distribute the Preferred Shares under this Offering. The Manager, in its capacity as an EMD, is not underwriting the Offering as an EMD, nor is the Manager the sole EMD used by the Corporation for this Offering. As of the date of this Offering Memorandum it is contemplated that the Manager, in its capacity as an EMD, will sell the majority of the securities being offered pursuant to this Offering under the terms of the Management and Administration Agreement. The Manager will not receive any commission or finder's fee directly related to selling the offered securities. However, the Manager is compensated for providing its management services, including those related to services as an EMD, by an annual fee equal to 2% per annum of the outstanding Preferred Share capital of the Corporation, calculated and paid at the end of each fiscal quarter, plus applicable taxes.

The Corporation's Objective and Business Model

The Corporation is a MIC and as such it is in the business of investing in various mortgages as described above under the headings "Investment Strategies", "Investment Process" and "Mortgage Investment Criteria". The Mortgages are secured by the registration of a mortgage against the title to the Canadian real estate collateral supporting the loan. The Corporation's objective is to continue to build a balanced and diversified mortgage investment portfolio. The Corporation has sought and will continue to seek to achieve this objective by investing in the mortgage loans described in this Item 2.2 which are coordinated by the Manager. As of the date of this Offering Memorandum, these mortgage loans consist mainly of residential Second Mortgages registered against urban based residential properties located throughout British Columbia, Alberta, Manitoba and Ontario, although the Corporation's lending guidelines and policies do permit other types of lending including investment in Permitted Investments. Some security instruments taken by the Corporation in connection with its mortgage lending activities include instruments which are secured against real estate and personal property and instruments which are not secured by any form of collateral, including real estate and personal property.

Borrowers seek loans from the Corporation for a wide variety of reasons which include real estate or asset purchases, business incorporations and business loans, divorce settlements and refinance/equity take outs. Generally speaking the higher ranking the mortgage is the greater the likelihood of collecting the loan. First Mortgages tend to have lower interest rates than mortgages ranking below First Mortgages. The interest rates on the Corporation's Mortgage Loans are typically in the range of 8.99% to 16.50%. However, Second Mortgages with higher rates of interest doesn't necessarily equate to a high risk mortgage. In respect to mortgage loans where the loan to value ratio is greater than 80%, the Corporation is obligated to follow certain credit lending criteria formulated by the Manager which includes, as an example, the following indicia of acceptable income from an individual borrower:

(a) previous years' income tax returns or assessment notices;

(b) letters of employment on employers letterhead;

(c) bank and investment income statements;

(d) copies of historical pay records; and

(e) self-declared letter on stated income declaration form provided by the Manager and supported by 6 months' worth of bank statements.

The borrower's must also be evaluated for their credit risk. The fundamentals of which included:

(a) income (quantum and stability);

(b) credit history (total loan vs income and past performance);

(c) security (what is the nature and condition of the underlying real estate collateral);

(d) geographical location of collateral (urban or rural); and

(e) the borrower's equity and establishing loan to value ratios based on independent appraisals (always, when presumed value of loan is 50% or more of the current tax assessed value.

The Corporation exercises its discretion in regards to applying the above criteria when it enters into mortgage loans where the loan to value ratio is less than 80%. All mortgage loans the Corporation makes are fully secured when advanced with a maximum loan to value ratio of 90%. This means that at the time the Mortgage Loan is advanced, the independently appraised value of the underlying real property exceeds the value of the principal amounts of all mortgages registered against title by at least 10%. The borrower is required to have a minimum of 10% equity in the secured real property. However, this 10% equity is subject to the fluctuation of the Canadian housing market and there is a risk that if the value of the underlying real property decreases sufficiently there may not be enough equity in the underlying real property to satisfy both the First Mortgage and the Second Mortgage. This could result in a loss of the entire amount of principal and interest owed to the Corporation which is secured by way of the Second Mortgage. See Item 8 - "Risk Factors - Risks Related to Mortgage Defaults".

The Corporation's income primarily consists of interest received from loans secured by mortgages as well as lender fees. Historically, the Corporation has provided distributed dividends to holders of Class B Shares in the range provided for in the table below contained under the heading "Dividends". These historical dividends do not guarantee that the Corporation will maintain the same level of dividends in the future as payment of dividends is subject to a statutory test governing the payment of dividends (the "Solvency Test") as set forth in subsection 43 of the ABCA (see Item 8 - "Risk Factors, Investment Risks – Distributions" contained below).

The Solvency Test exists in the ABCA in part to act as a safeguard against the erosion of shareholder capital. The directors must have reasonable grounds for believing that the Corporation can meet both arms of the Solvency Test at the time the dividend is issued. In assessing whether there are reasonable grounds for believing the Corporation will meet the Solvency Test, the directors of the Corporation will consider whether it can meet its liabilities as they come due, and consider the net realizable value of the Corporation's assets. In doing so, the directors must first consider if the Corporation is a going concern and if so can then establish the fair market value of the Corporation's assets. This is done by establishing the net present value of the current and performing mortgages based on a reasonable discount. Impaired Mortgages and foreclosed properties are valued based on independent appraisals and current real estate industry information on market prices of the underlying real property collateral, less the costs of foreclosure and sale. Upon establishing that the Solvency Test can be met, the Corporation is in a position to distribute dividends. If the Corporation cannot meet the Solvency Test then no dividend distribution can be made.

The ABCA contains a very similar test relating to the redemption of shares. Where the directors are considering if the Corporation can redeem Class B Shares they must again apply a similar solvency test analysis before doing so. In this way the Corporation can continue to meet its business objective of providing holders of Class B Shares with income while preserving capital for distribution or re-investment.

Competition

Competitors for the Corporation are private lenders, including other MIC's, mortgage syndicators, individual investors and real estate investment trusts. Each of these lender types targets the class of mortgage that it wants in its portfolio to meet the risk tolerance/reward requirements of their investors. For example, a MIC desiring to offer dividends in excess of 10% annualized returns may be required to accept higher ratio mortgages, development projects, land deals or second mortgages that may carry higher risks to enable greater returns.

Mortgage Portfolio Summary

	Total
Total Invested	$ 21,643,204.53
Shareholder Capital	$ 14,807,634.86
Leveraged Capital Invested	$ 6,835,569.67
Number of Mortgages	604
Weighted LTV	84.59%

Priority of Loans

Type of Mortgage	Number of Loans	Value of Loans	Percentage Total of Loans
First Mortgage	24	$ 996,851.32	4.61%
Second Mortgage	575	$ 20,392,110.01	94.22%
Third Mortgage	5	$ 254,243.21	1.17%
Total	604	$ 21,643,204.54	100%

Loans Aged [(1)]

Aged	Number of Loans	Value of Loans	Percentage of Value of Total Loans
Current (<30 days)	576	$ 19,971,271.62	92%
30-60 days	13	$ 676,288.60	3%
>60 days	15	$ 995,644.31	5%
Total	604	$ 21,643,204.53	100%

Notes:

(1) The higher the number of mortgages in default (loans which remain unpaid for more than 30 days beyond their maturity date) the higher the risk to the investor, since this risk can affect interest income revenue and can tie up revenue which could otherwise be used by the Corporation to invest in performing mortgages and honour redemption requests made by the shareholders. See "Risk Factors – Risks Related to Mortgage Defaults" below.

Distribution of Loans

Aged	Value of Loans	Percentage of Value of Total Loans
Urban	$ 21,152,879.60	97.73%
Rural	$ 490,324.94	2.27%
Total Weighted Average	$ 21,643,204.54	100%

Interest Rates

	Number of Loans	Value of Loans	Percentage of Value of Total Loans
<10%	14	$ 795,798.48	4%
10-11%	16	$ 472,252.49	2%
11-12%	21	$ 793,363.18	4%
12-13%	164	$ 4,938,206.06	23%
13-14%	129	$ 3,832,312.76	18%
14-15%	189	$ 8,181,626.29	38%

>15%	71	$	2,584,645.27	12%
Total	604	$	21,643,204.53	100%

Basis for Determining the Value of the Property on which LTV is Calculated

	Number of Loans	**Value of Loans**		**Percentage of Value of Total Loans**
Appraisal	604	$	21,643,204.53	100%

Location

	Number of Loans	**Value of Loans**		**Percentage of Value of Total Loans**
Alberta	207	$	7,558,299.21	35%
British Columbia	74	$	2,469,776.69	11%
Manitoba	4	$	100,450.32	0%
Ontario	318	$	11,512,205.27	53%
Saskatchewan	1	$	2,473.05	0%
Total	604	$	21,643,204.54	100%

Maturity Dates

Year	**Number of Loans**	**Value of Loans**		**Percentage of Value of Total Loans**
2012	2	$	306,859.02	1%
2013	1	$	44,690.31	0%
2014	5	$	312,139.38	1%
2015	353	$	12,706,119.56	59%
2016	243	$	8,273,396.27	38%
Total	604	$	21,643,204.54	100%

2.3 Development of the Business

The Corporation commenced operations under the name Dominion Properties Mortgage Investment Corporation in June 2004 as a qualified Mortgage Investment Corporation under the Tax Act and was solely engaged in raising funds for mortgage lending predominantly in Alberta. It formally engaged Alta West Mortgage Capital Corporation as its manager effective January 2, 2007. In September 2008, the Corporation completed a name change to AWM Diversified Mortgage Investment Corporation in an effort to better describe the portfolio of mortgages to be acquired by the Corporation.

The two subsequent years proved difficult for the Corporation due to the economic events brought on by the global financial crisis triggered in late 2008. The economic climate caused primarily by sub-par mortgage lending practices in the United States in the period beginning in late 2008 and continuing into 2009 had effect across all industries in Canada including directly impacting the Corporation’s core lending area in Alberta and British Columbia. As in other jurisdictions, the demand for housing dropped significantly in the west and was followed by a corresponding decrease in housing prices. Coming on the heels of a somewhat overbuilt real estate market, with unemployment increasing and previously reliable borrowers suddenly becoming unable to make payments, the Corporation was put into a greater than expected number of situations where it had to initiate foreclosure. Unfortunately, with the aforementioned drop in real estate values, even in taking the steps of initiating foreclosure, the Corporation was unable to recover its entire investment in certain circumstances and losses were incurred.

The 2010-2011 fiscal year proved to be a recovery year for the Corporation. While there were some prior period losses that carried over into the fiscal year, there were very few new foreclosures within the Corporation’s portfolio.

Further, the Corporation made efforts to invest in some lower risk first mortgages in part due to implementation of an updated risk aversion strategy and in part due to an excess of capital in the markets which forced the Corporation to lower rates to borrowers in order to remain competitive. Both these factors resulted in downward pressure on the gross yield of the Corporation.

However, as can be noted from the Dividends section below, the Corporation had successfully navigated the previous difficult years with the investor's principal capital contributions intact. For the recent fiscal years, due to on-going lower housing prices, and the continuing potential for new foreclosure proceedings to become necessary on previously placed mortgages, the Corporation adopted a guarded dividend payment approach. To date, this strategy has yielded benefits, as the Corporation has managed to improve on the returns made in the previous years, while maintaining a lower risk profile for investors.

The 2013 and 2014 fiscal years saw a doubling in size of capital raised from investors which was in turn invested into Mortgage Loans and other Permitted Investments. Other notable events that occurred during this period include a $200,000 investment in a promissory note to Assistive Financial, which was not recoverable and for which the Corporation recorded as a loss in its financial statements for the year ended March 31, 2014.

On August 1, 2014, David McKitrick, who held the position of director, officer and shareholder of the Corporation and of the Manager, sold all his Class "A" Voting Shares in the Corporation to Charles McKitrick. Charles McKitrick is a director and officer of the Corporation, and a director, officer and shareholder of the Manager. In conjunction with this transaction, also effective August 1, 2014, David McKitrick sold all of his shares which he indirectly held in the capital of the Manager, to Pura Vida Development Corporation, a company owned and controlled by Charles McKitrick through the McKitrick Family Trust. As a condition to closing these transactions, David McKitrick resigned as a director, officer and employee of both the Corporation and of the Manager.

Up to October 31, 2013, the fee payable by the Corporation to the Manager pursuant to the Management and Administration Agreement was 3.5% per annum of the average net assets of the Corporation. From and after October 31, 2013, the fee payable to the Manager was reduced to 2% per annum of the outstanding share capital of the Preferred Shares of the Corporation. The reduction of the fee payable to the Manager and the change in the method by which the fee is calculated was effected as a result of positioning by the Corporation to be more competitive in the marketplace, based on changes in the Mortgage Investment industry. This reduced Management fee allows the Corporation to invest more of its funds into Mortgage Investments and other Permitted Investments made in accordance with the Tax Act.

During the 2014 fiscal year the Manager became registered in Ontario as a licensed mortgage broker and a licensed mortgage administrator. On April 21, 2015, the Manager became registered in Ontario as an Exempt Market Dealer. There is a possibility that the Manager's increased presence could lead to a greater number of Mortgage Investment opportunities being made available to the Corporation.

The Corporation and the Manager entered into a revised Management and Administration Agreement dated effective June 30, 2015. The Management and Administration Agreement sets out all fees payable by the Corporation to the Manager, including the reduced Management fee as discussed above and the payment of Additional Fees as discussed below. See Item 2.7 - "Material Agreements – Management and Administration Agreement".

Acquisition of Toro Financial Corporation

Toro Financial Corporation ("Toro") operated as a Calgary based MIC which was in the business of investing in mortgages granted by mortgagors to Toro as security for loans advanced to builders, developers and owners of Canadian commercial, industrial and residential real estate. On May 20, 2014, the Corporation acquired the business of Toro through the purchase of Toro's entire mortgage portfolio (the "Asset Sale") for a purchase price of $2,535,022. The Corporation satisfied the payment of the purchase price through the issuance of a non-interest bearing, unsecured demand promissory note in an amount equal to the purchase price.

As a result of the completion of the Asset Sale, Toro completed a wind-up and dissolution on June 10, 2014. Concurrently with the wind-up, a distribution was made to the Toro shareholders consisting of a proportionate share of the promissory note that was issued by the Corporation in consideration for the Asset Sale (the "Distributed Notes"). The distribution was referred to as a distribution "in kind" since the Toro Shareholders received a distribution of assets other than cash. Through the Distributed Notes each Toro shareholder became entitled as a creditor to be paid by the Corporation their respective proportionate share of the principal amount of the promissory note originally issued to Toro.

The Corporation offered Toro shareholders a choice as to how they would be paid their respective proportionate share of the principal amount of the promissory note; either through the acceptance of a proportionate number of Shares in the Corporation or a full settlement in cash. Approximately 85% of the Toro shareholders chose to subscribe for Shares in the Corporation while approximately 15% received a settlement in cash.

Dividends

As described above in Item 2 - "Our Business – Mortgage Investment Corporation", historically the Corporation has provided distributed dividends to holders of Preferred Shares in the range provided for in the table. However, these historical dividends do not guarantee that the Corporation will maintain the same level of dividends in the future as payment of dividends is subject to a solvency test as set forth in subsection 43 of the ABCA (the "Solvency Test").

The Solvency Test exists in the ABCA in part to act as a safeguard against the erosion of shareholder capital. The directors must have reasonable grounds for believing that the Corporation can meet both arms of the Solvency Test at the time the dividend is declared and paid. In assessing whether there are reasonable grounds for believing the Corporation will meet the Solvency Test, the directors of the Corporation will consider whether it can meet its liabilities as they come due, and they will consider whether the realizable value of the corporation's assets would, by declaring or paying a dividend, be less than the aggregate of its liabilities and stated capital of all classes. In doing so, the directors must first consider if the Corporation is a going concern. If so, they can then establish the fair market value of the Corporation's assets. This is done by establishing the net present value of the current and performing mortgages based on a reasonable discount. Mortgages that have been in default for 60 days and are not fully secured, or collection efforts are not expected to result in full repayment of the mortgage loan, as well as foreclosed properties are valued based on independent appraisals and current real estate industry information on market prices of the underlying real property collateral, less the costs of foreclosure and sale. Upon establishing that the Solvency Test can be met, the Corporation is in a position to distribute dividends. If the Corporation cannot meet the Solvency Test then no dividend distribution can be made. See "Risk Factors - Investment Risks – Distributions".

For the year ended March 31, 2007, the Corporation issued a dividend providing a net return to investors of 12.43%. For the following fiscal year, the Corporation implemented a quarterly dividend issuance, commencing in the second quarter, with year-end top up dividends declared when there remained unallocated excess net income. The following table sets out the yearly net dividend returns since Alta West Mortgage Capital Corporation became Manager.

Year Ended March 31	Q1	Q2	Q3	Q4	Top Up	Simple Annual Return
2007					12.43	12.43
2008	-	2.00	2.00	2.00	7.50	13.50
2009	2.00	2.00	-	-	-	4.00
2010	-	-	-	-	-	0.00
2011	-	1.00	1.00	1.00	3.06	6.06
2012	1.50	1.50	2.00(1)	2.00	1.10	8.10
2013	1.91	2.01	2.18	2.30	0.70	9.10
2014	2.16	1.32	2.31	2.17	0.40	8.36
2015	1.975	2.138	2.483	2.42	0.78	9.80

(1) Commenced payment of dividends on a monthly basis.

As can be noted in the above table, with the changing economic events that arose late 2008, the Corporation suspended quarterly dividends in order to preserve the capital position of its investors and did not issue further dividends until the second quarter of the 2011 fiscal year.

For the 2012 fiscal year onward, the Corporation reinstituted its past practice of issuing conservative quarterly dividends as permitted pursuant to the Solvency Test, with a yearend top up dividend, providing its investors with a net return of 8.10% in 2012 and 9.10% in 2013. Since Q3 of 2012, the Corporation commenced its current practice of issuing monthly dividends. For the 2014 fiscal year, the Corporation declared and issued monthly dividends in the amount of 2.17% for the first quarter, 1.32% for the second quarter, 2.31% for the third quarter and 2.17% for the fourth and the Corporation anticipates that it will continue to issue monthly dividends based and calculated on actual interest income generated for the reporting period. **However, it should be noted that dividends fluctuate and are not guaranteed.**

Certain information above is "forward looking information" within the meaning of the Securities Policies. By their nature, forward-looking information and statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although the Corporation believes that the expectations reflected in the above forward-looking statements are reasonable, there can be no assurances that future results, levels of activity, performance or achievements will occur as anticipated and that residential housing prices in Alberta and Manitoba will continue to rise.

2.4 Long-Term Objectives

The Corporation's long-term objective is to acquire sufficient investment to provide Class B shareholders with a return that is superior to term deposits, guaranteed investment certificates and money market funds, with due consideration to preservation of their capital. Further, the Corporation intends to seek mortgage investment opportunities in other Provinces outside of Alberta, British Columbia and Ontario, including Saskatchewan and Manitoba. Other than the short-term costs identified below, the Corporation does not anticipate any significant costs associated with ongoing operations. As funds are brought into the Corporation, it will continue to invest the funds in accordance with its investment policies. See Item 2.7 - "Material Agreements – Management and Administration Agreement".

2.5 Short-Term Objectives and the Intentions to Achieve Them

As a MIC, the principal short-term objectives focus on completing the Offering and investing the net proceeds in mortgages. The following table sets out the objectives, the timelines and the expected costs to complete the short-term objectives for the next twelve months:

What Must Be Done and How It Will Be Accomplished	Target Completion Date	Cost To Complete
The Corporation "must" continue to seek Mortgage Investment opportunities based on the Corporation's investment policies and to earn acceptable yields from its existing mortgage portfolio. Its business plan also contemplates that its yields must fund the distribution of dividends and redemptions of Class B Shares[(1)] and re-investment into new Mortgage Investments. In order to facilitate the growth of its mortgage portfolio and the yields that it produces, the Corporation's goal over the next 12 months is to raise a further $10,000,000 in equity capital to permit it to continue to invest in new mortgage loans.	No later than the earlier of the Maximum Offering being subscribed for or June 30, 2016.	$30,000 for legal, accounting and audit expense. $200,000 representing fees payable to the Manager[(2)]

Notes:

(1) The redemption of Preferred Shares is subject to various restrictions. See "Securities Offered".

(2) This assumes the maximum amount of the Offering is raised. The amount excludes any Trailer Fees the Corporation intends to pay to arm's length EMDs and also excludes any Additional Fees payable by the Corporation to the Manager. See "Compensation Paid to Sellers and Finders" for a summary of the Trailer Fees and Additional Fees which may be paid in connection with the Offering. See "Material Agreements – Management and Administration Agreement".

2.6 Insufficient Funds

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

2.7 Material Agreements

The following are the material agreements to which the Corporation is currently a party.

Management and Administration Agreement

Pursuant to the Management and Administration Agreement dated effective as of June 1, 2015 (superseding the prior agreement entered into on February 1, 2014), Alta West Mortgage Capital Corporation is the Manager of the mortgage investment portfolio of the Corporation. In this role, the Manager sources new investment into the Corporation in its capacity as an Exempt Market Dealer and oversees the mortgage investment portfolio of the Corporation in its capacity as an Investment Fund Manager and Restricted Portfolio Manager. The Manager sources, recommends and makes available to the Corporation, potential investors into the Corporation and for investment in the Corporation's name, mortgages or interests in mortgages as and when they become available. The Manager has the exclusive right to provide the Corporation with these mortgage investments and the Corporation does not seek mortgage investment opportunities from third parties. The Manager also oversees the Corporation's day to day operations and the administrative services provided by the Manager for the Corporation's operations are in compliance with the regulatory requirements governing investment funds. For a brief discussion of Exempt Market Dealer, Investment Fund Manager and Restricted Portfolio Manager, see Item 2 - "Business of the Corporation - Registration Requirements" above.

The Manager and the Corporation are related companies. Charles McKitrick indirectly owns 89% of the issued and outstanding voting shares of the Manager. Further, Charles McKitrick is a director and officer of both the Manager and the Corporation, and is a voting shareholder of the Corporation, holding 9.1% of the issued voting shares. Fahn Bacon is a voting shareholder and officer of the Corporation and is an officer of the Manager. George Botros is a director and officer of the Corporation and is an officer of the Manager. Jared Morrison is a director and voting shareholder of the Corporation and is also an officer of the Manager.

The Manager pays all of its own costs, expenses and overhead relating to the provision of its services. All of the costs with respect to the business of the Corporation are on account of the Corporation including, without limitation, legal, audit, shareholder meeting and communication costs, and allocated insurance and rent. In exchange for the management services provided under the Management and Administration Agreement, the Manager is compensated by the Corporation with an annual fee, paid quarterly, equal to 2.0% per annum of the outstanding share capital of the Preferred Shares of the Corporation, calculated and paid at the end of each fiscal quarter, plus applicable taxes, to be dispersed to the Manager on no more frequently than on a monthly basis. The Management and Administration Agreement also provides that the Manager may, from time to time, charge brokers' fees, lenders' fees, commitment fees, extension fees, renewal fees, NSF fees, administration fees and similar fees to borrowers with respect to any mortgage loan, all of which fees are the sole property of the Manager.

The Manager has the discretion to set interest rates and to determine the amount of fees payable by borrowers on Mortgage Investments. Since the Manager generates revenue from fees paid by borrowers but the Corporation earns income from interest earned, the Management Agreement provides that the Corporation and the Manager will effectively normalize (to an extent) these earnings. For example, when interest rates are relatively high but fees charged to borrowers are low, the Corporation may pay the Manager an additional amount (the "Additional Fees"), not to exceed an amount equal to 2.00% of interest paid by borrower under the terms of the Mortgage Investment. Conversely, when fees are relatively high but interest rates low, the Manager may pay an amount of up to 2.00% to the Corporation in an effort to normalize earnings as between the Corporation and Manager.

The Management and Administration Agreement is for an indefinite term, but may be terminated earlier as follows:

by the Corporation in the event that:

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

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

(c) the Manager assigns the Management and Administration Agreement or its rights or obligations thereunder to any person who is not an affiliate of the Manager without the prior written consent of the Directors;

(d) the Manager commits a breach or default under the Management and Administration Agreement not related to the payment of any money to be paid by the Manager to the Corporation and the same is not cured within 30 days of the Manager receiving notice thereof; or

(e) the Manager commits a breach or default under the Management and Administration Agreement related to the payment of any money to be paid by the Manager to the Corporation and the same is not cured within 15 days of the Manager receiving notice thereof;

by the Manager in the event that:

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

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

(c) the Manager gives the Corporation one year's prior written notice of its intention to terminate this Agreement;

(d) the Corporation commits a breach or default under this Agreement (not related to the payment of any money to be paid by the Corporation to the Manager) and the same is not cured within 30 days of the Corporation receiving notice thereof; or

(e) the Corporation commits a breach or default under this Agreement related to the payment of any money to be paid by the Corporation to the Manager and the same is not cured within 15 days of the Corporation receiving notice thereof;

by the mutual consent of the parties:

(a) on ninety (90) days notice in writing; or

(b) upon appointment of (a) suitable replacement(s).

The Manager must render its services under the Management and Administration Agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Management and Administration Agreement in a conscientious, reasonable and competent manner.

Pursuant to the Management and Administration Agreement, the Corporation shall indemnify and hold harmless the Manager, its directors, officers, employees, agents and direct and indirect shareholders (together, the "Indemnified Parties"), from and against any and all claims, actions, suits, proceedings, demands, assessments, judgments, losses, damages, liabilities, expenses, costs (including all legal fees and costs on a solicitor and his own client basis) to which the Indemnified Parties, may be put or suffer as a result of the Manager performing its duties under the Management and Administration Agreement and, without limiting the generality of the foregoing, the Corporation shall save, indemnify, and hold the Indemnified Parties harmless from and against the following:

(a) a misrepresentation or breach of any direct or indirect representation or warranty made by the Corporation to the Preferred Shareholders;

(b) any failure by the Corporation to comply with applicable legislation in connection with the sale of Preferred Shares to the Shareholders; and

(c) any failure or default of a borrower of the Corporation or any failure or defect in the mortgage security or any other security securing any loan, the result of which is that the Shareholders suffers any loss.

Credit Facility #1 Loan Agreement

Effective May 9, 2013, the Corporation and Karis Holdings Ltd., Colin B. Wiebe, Bryce McDougall, Dan Schleppe and Brad McDougall (collectively the "Creditors") entered into a loan agreement to reflect the terms of the Credit Facility #1 loan (the "Credit Facility #1 Loan Agreement"). The Creditors are each an arm's length party who is not related to the Corporation. Under the terms of the Credit Facility #1 Loan Agreement, the Corporation may borrow up to a maximum amount of $3,000,000. The purpose of the Credit Facility #1 is to provide the Corporation with leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #1 will bear interest at a rate not to exceed 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month. The Credit Facility #1 is payable on demand.

The Corporation has granted the Creditors a first priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation's Portfolio.

Credit Facility #2 Loan Agreement

Effective March 1, 2011, the Corporation and AWM Balanced Mortgage Investment Corporation ("Balanced") entered into a loan agreement to reflect the terms of the Credit Facility #2 loan (the "Credit Facility #2 Loan Agreement"). Balanced is a non-arm's length party related to the Corporation. Balanced is related to the Corporation by virtue of the following relationships: Charles McKitrick is a director, vice-president and voting shareholder of both the Corporation and Diversified. Fahn Bacon is the secretary and a voting shareholder of both the Corporation and Diversified. George Botros is a director and is president of Diversified and is also a voting shareholder in the Corporation.

Pursuant to the terms of the Credit Facility #2 Loan Agreement, Balanced has agreed to provide the Corporation with the Credit Facility #2 to be advanced by way of a line of credit with a maximum principal amount of $7,000,000. The purpose of the Credit Facility #2 is to provide the Corporation with leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #2 will bear interest at a rate not to exceed 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month. The Credit Facility #2 is payable on demand.

As security for the Credit Facility #2, the Corporation has granted Balanced a second priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation's mortgage loan portfolio.

ITEM 3 INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following are the names and residence of the current directors, officers, promoters and principal holders of the Corporation, their respective management experience and any of their holdings of securities of the Corporation and its affiliates after the Offering.

Compensation & Securities Held				
Name and municipality of principal residence	**Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position**	**Actual and anticipated compensation paid by the Corporation or related parties for the year ended March 31**	**Number and percentage of securities of the issuer held prior to completion of the Offering**	**Number and percentage of securities of the issuer held after completion of Maximum Offering**
Charles McKitrick De Winton, Alberta	Director since October 30, 2006 Vice-President since August 1, 2014	2014 Nil 2015 Nil	25 Class A Shares (9.1%) 1,311.0257 Shares (0.88%)	25 Class A Shares 9.1% 1,311.0257 Shares (0.49%)
Cal Morstad Calgary, Alberta	Director since June 29, 2012	2014 Nil 2015 Nil	25 Class A Shares (9.1%) 3,409.6271 Shares (2.30%)	25 Class A Shares (9.1%) 3,409.6271 Shares (1.27%)

Fahn Bacon Coldstream, BC	Director since August 1, 2014 Secretary-Treasurer since August 1, 2014	2014 Nil 2015 Nil	25 Class A Shares (9.1%) 79.4034 Shares (0.05%)	25 Class A Shares (9.1%) 79.4034 Shares (0.03%)
Valerie Leibel Langdon, Alberta	Controller since June 1, 2009	2014 Nil 2015 Nil	25 Class A Shares (9.1%) 148.4227 Shares (0.10%)	25 Class A Shares (9.1%) 148.4227 Shares (0.06%)
Alta West Mortgage Capital Corporation Calgary, Alberta	Promotor since June 1, 2009	2014 $141,339 2015 $207,156	Nil Class A Shares Nil Shares (Nil)	Nil Class A Shares (Nil) Nil Shares (Nil)
George Botros Calgary, Alberta	Director since August 1, 2014 President since August 1, 2014	2014 Nil 2015 Nil	25 Class A Shares (9.1%) 1,992.8316 Shares (1.35%)	25 Class A Shares (9.1%) 1,992.8316 Shares (0.74%)
Jared Morrison Calgary, Alberta	Director since June 29, 2012	2014 Nil 2015 Nil	25 Class A Shares (9.1%) 250.0000 Shares (0.17%)	25 Class A Shares (9.1%) 250.0000 Shares (0.09%)

Notes:

(1) The directors and officers of the Corporation do not receive any compensation for acting in these capacities.

(2) Alta West Mortgage Capital Corporation, a private Alberta company controlled by Charles McKitrick is the Manager of the Corporation pursuant to the Management and Administration Agreement and is the Promoter. The compensation received by the Manager from the Corporation is paid pursuant to the terms of the Management and Administration Agreement. See Item 2.7 - "Material Agreements – Management and Administration Agreement". The anticipated compensation noted for the fiscal year 2015 is an estimate of the maximum that may be paid to the Manager pursuant to the Management and Administration Agreement. As it has done in the past, the Manager may waive all or a portion of this entitlement as is within its sole discretion in consideration of such factors as the economic situation effecting mortgage returns.

(3) Amounts assume the maximum Offering is fully subscribed and assume no Class B Shares are acquired under the Corporation's reinvestment plan with any cash dividends paid on such shares.

3.2 Management Experience

The following table discloses the principal occupations of the current directors and senior officers of the Corporation over the past five years and their relevant experience in businesses similar to the Corporation's.

Name	Principal Occupation and Related Experience
George Botros Calgary, Alberta	George Botros has prior experience managing a mortgage investment corporation, Toro Financial Corp., which he managed for seven years. In 2014, the mortgage assets of Toro Financial Corp. were purchased by the Corporation. George has over fifteen years of experience in the lending business and throughout that period has participated in residential, commercial, mezzanine, and interim financing related activities. George holds a Bachelor of Economics, an MBA, and holds the Chartered Investment Manager designation. George currently holds the positions of Director, Chief Compliance Officer and manager of underwriting for the Corporation and is also the President of the Corporation. George also holds the positions of Director, Chief Compliance Officer and manager of underwriting for First Place Mortgage Investment Corporation, a corporation managed by Alta West Mortgage Capital Corporation.
Charles McKitrick Calgary, Alberta	Charles McKitrick, through Pura Vida Development Corporation, a private Alberta company, owns an 89.9% interest in Alta West Mortgage Capital Corporation (the Manager). He is a director and the Chief Executive Officer for Alta West Mortgage Capital Corporation, and

	manages its business development and growth, as well as funding and human resources. Mr. McKitrick is also a director and officer of First Place Mortgage Investment Corporation and AWM Balanced Mortgage Investment Corporation, both of which are mortgage investment corporation's active in the Alberta marketplace and managed by Alta West Mortgage Capital Corporation. He is also a licensed Realtor, Mortgage Agent and Dealing Representative. Prior to joining Alta West Mortgage Capital Corporation, Mr. McKitrick was the owner/operator of several health care clinics in Calgary, and after a major acquisition of this company he assumed a senior management position with the purchaser. Mr. McKitrick also owned a business in real estate investments and has been investing in the Calgary market for many years. Mr. McKitrick brings 20 years of business experience and management to Alta West Mortgage Capital Corporation and the mortgage investment corporations that it manages. He is also a past director for the Alberta Mortgage Broker's Association. Mr. McKitrick holds a Bachelor of Science Degree from the University of Saskatchewan.
Fahn Bacon, Coldstream, BC	Fahn Bacon is the Secretary-Treasurer of the Corporation, Vice-President of First Place Mortgage Investment Corporation, a director of AWM Balanced Mortgage Investment Corporation and the Investor Relations Manager for Alta West Mortgage Capital Corporation. She has been with Alta West Mortgage Capital Corporation since May of 2008. Mrs. Bacon is responsible for liaising with the investors of the mortgage investment corporations that Alta West Mortgage Capital Corporation manages, and managing their respective accounts. She is registered as a Dealing Representative with Alta West Mortgage Capital Corporation and works closely with the Chief Compliance Officer in regards to legal compliance matters. She is also responsible for the oversight and analysis on foreclosure files. Mrs. Bacon brings an analytical background to Alta West Mortgage Capital Corporation with a Bachelor of Science in Mathematics and a minor in Economics from the University of Calgary. She has completed her Canadian Securities Course and Mortgage Associates Program, and she is licensed as a Mortgage Agent.
Valerie Leibel Langdon, Alberta	Valerie Leibel is the Manager of Administration and Accounting for Alta West Mortgage Capital Corporation. She is responsible for ensuring the accuracy of the mortgage administration staff and for completing year-end financial statements. She has been with Alta West Mortgage Capital Corporation since May of 2001 and has over 25 years of accounting experience. Ms. Leibel also prepares the financial statements for the mortgage investment corporation's that Alta West Mortgage Capital Corporation manages and the Progress Asset Management Limited & General Partnerships. Ms. Leibel has completed the third level of The Certified Management Accounting Program, the Production Accounting Certificate and the Mortgage Associates Program and is licensed as a Mortgage Agent with Alta West Mortgage Capital Corporation.
Jared Morrison Calgary, Alberta	Jared Morrison is the National Sales Manager for Alta West Mortgage Capital Corporation. He is responsible for generating new business opportunities from the broker community, industry partners and through direct sales. He has been representing Alta West Mortgage Capital Corporation since 2007. Mr. Morrison has 25 years of background in banking and business-to-business sales. Through CTT Consulting Ltd, a private Alberta company, Jared owns a 10.1% interest in Alta West Mortgage Capital Corporation (the Manager). Jared is a Director of the Corporation and an officer of Alta West Mortgage Capital Corporation. Mr. Morrison is a Dealing Representative and a Licensed Mortgage Associate for Alta West Mortgage Capital Corporation.

3.3 Penalties, Sanctions and Bankruptcy

There have been:

(a) no penalties or sanctions (e.g. fines, penalties, enforcement orders, etc.);

(b) no cease trade orders that have been in effect for a period of more than 30 consecutive days; and

(c) no declarations of bankruptcy, voluntary assignment in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors, or appointments of receivers, receiver managers or trustees,

that were imposed or in effect at any time during the past 10 years against or with respect to any of the directors, officers or control persons of the Corporation or any issuer of which any of above individuals and companies were a director, senior officer or control person at the relevant time.

3.4 Loans

Effective March 1, 2011, the Corporation and AWM Balanced Mortgage Investment Corporation ("Balanced") entered into a loan agreement to reflect the terms of the Credit Facility #2 loan (the "Credit Facility #2 Loan Agreement"). Balanced is a non-arm's length party related to the Corporation. Balanced is related to the Corporation by virtue of the following relationships: Charles McKitrick is a director, vice-president and voting shareholder of both the Corporation and Diversified. Fahn Bacon is the secretary and a voting shareholder of both the Corporation and Diversified. George Botros is a director and is president of Diversified and is also a voting shareholder in the Corporation.

Pursuant to the terms of the Credit Facility #2 Loan Agreement, Balanced has agreed to provide the Corporation with the Credit Facility #2 to be advanced by way of a line of credit with a maximum principal amount of $7,000,000. The purpose of the Credit Facility #2 is to provide the Corporation with leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #2 will bear interest at a rate not to exceed 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month. The Credit Facility #2 is payable on demand. As of the date of this Offering Memorandum the balance owing under the Credit Facility #2 is $5,789,286.17.

As security for the Credit Facility #2, the Corporation has granted Balanced a second priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation's mortgage loan portfolio.

ITEM 4 CAPITAL STRUCTURE

4.1 Share Capital

Description of security	Number authorized to be issued	Price Per Security	Number Outstanding as at June 30, 2015	Number Outstanding after Minimum Offering	Number Outstanding after Maximum Offering
Class A Shares	Unlimited	$0.01	88,000	n/a	88,000
Class B Shares	Unlimited	$100.00	151,204.3978	n/a	271,204.3978

4.2 Long-Term Debt

As at the date hereof the Corporation has no long-term debt. The Corporation does not contemplate issuing any debt securities under this Offering.

4.3 Prior Sales

The following table sets out the prior sales of the Class "B" Shares of the Corporation in the past 12 months.

Date of Insurance	Type of Security	Number Issued	Price per Unit	Total Funds Received
6/6/2014	Preferred Shares	2,870.00	$100.00	$287,000.00
6/11/2014	Preferred Shares	10,593.33	$100.00	$1,059,333.01
6/26/2014	Preferred Shares	3,382.65	$100.00	$338,264.50
7/11/2014	Preferred Shares	8,879.13	$100.00	$887,912.96
7/24/2014	Preferred Shares	6,608.84	$100.00	$660,883.65
7/31/2014	Preferred Shares	773.2571	$100.00	$77,325.71

8/8/2014	Preferred Shares	1,126.00	$100.00	$112,600.00
8/15/2014	Preferred Shares	1,335.10	$100.00	$133,510.21
1/5/2015	Preferred Shares	10,661.61	$100.00	$1,066,160.90
1/30/2015	Preferred Shares	7,680.00	$100.00	$768,000.00
2/12/2015	Preferred Shares	4,361.34	$100.00	$436,133.84
2/27/2015	Preferred Shares	1,938.07	$100.00	$193,806.96
3/13/2015	Preferred Shares	4,883.31	$100.00	$488,331.06
3/27/2015	Preferred Shares	491.7803	$100.00	$49,178.03
4/9/2015	Preferred Shares	768.835	$100.00	$76,883.50
4/28/2015	Preferred Shares	462.3773	$100.00	$46,237.73
5/6/2015	Preferred Shares	3,700.10	$100.00	$370,010.05
5/28/2015	Preferred Shares	539.1104	$100.00	$53,911.04
6/5/2015	Preferred Shares	1,840.00	$100.00	$184,000.00
			TOTAL:	$7,289,483.15

ITEM 5 SECURITIES OFFERED

5.1 Terms

The Corporation is offering up to 100,000 Class B Shares for sale at a price of $100.00 per Class B Share. The rights and restrictions attaching to the Class B Shares are as follows:

Voting Rights

Holders of the Class B Shares shall not be entitled to receive notice of, attend or speak at any meeting of the shareholders of the Corporation, subject to any rights pursuant to the ABCA.

Dividend Entitlement

The Class B Shares are the only class of shares entitled to receive dividends.

Holders of the Class B Shares are entitled to receive dividends as and when declared in the discretion of the Board of Directors, in an amount equal to the profits of the Corporation (as determined in accordance with generally accepted accounting principles) available for the payment of dividends (as determined by the Board of Directors).

Subject to the discretion of the Board of Directors and the ABCA, the Corporation intends to declare and pay monthly cash dividends. However, at the time of subscribing, Investors may elect to participate in the Corporation's reinvestment plan, in which case the Investor's cash dividend is applied towards the purchase of new Class B Shares based on a purchase price of $100.00 per share.

For income tax purposes, the Corporation intends to distribute as dividends substantially all of its net earnings. See “Canadian Federal Income Tax Consequences”.

Redemption Rights

Subject to the provisions of the ABCA and applicable securities laws (if any), the Corporation may redeem all or any part of the Class B Shares outstanding by giving notice at least 30 days before fiscal year-end to all the holders of record of the outstanding Class B Shares. The redemption price for each Class B Share will be the lesser of: (i) $100.00 per Class B Share plus any declared but unpaid dividends thereon; or (ii) the net realizable value attributable to each Class B Share as determined in the Corporation's audited financial statements prepared for the relevant fiscal year-end in which notice is given (both referred to as the "Redemption Amount").

If upon giving notice that the Corporation intends to redeem a portion of the outstanding Class B Shares, the Corporation receives acceptance of an aggregate number of shares greater than the number for which the Corporation is prepared to accept, then the Class B Shares will be purchased, as nearly as may be, pro rata, to the number of Class B Shares so offered for redemption by each of the holders of the Class B Shares.

Retraction Rights

Subject to the provisions of the ABCA and applicable securities laws (if any), a holder of Class B Shares may with respect to any Class B Shares that have been registered in the name of the holder ("Retractable Shares"), by giving written notice at least 60 days before fiscal year-end to the Corporation (the "Retraction Notice"), request that the Corporation redeem the whole or any part of the Retractable Shares held by such holder. The Redemption Amount for each Class B Share that is retracted is determined according to the provisions of the Corporation's articles of incorporation. In addition however, in regards to Class B Shares acquired through an arm's length registered EMD, pursuant to the terms provided for in the Subscription Agreement that Investors execute in connection with their subscription for Class B Shares a discount will be applied to the Redemption Amount as follows:

I. If the Date of Retraction is before the one year anniversary of the date such Class B Shares were issued to the Shareholder, there will be a 5% discount to the Redemption Amount;

II. If the Date of Retraction is on or following the one year anniversary and before the two year anniversary of the date such Class B Shares were issued to the Shareholder, there will be a 4% discount to the Redemption Amount;

III. If the Date of Retraction is on or following the two year anniversary and before the three year anniversary of the date such Class B Shares were issued to the Shareholder, there will be a 3% discount to the Redemption Amount;

IV. If the Date of Retraction is on or following the three year anniversary and before the four year anniversary of the date such Class B Shares were issued to the Shareholder, there will be a 2% discount to the Redemption Amount;

V. If the Date of Retraction is on or following the fourth year anniversary and before the fifth year anniversary of the date such Class B Shares were issued to the Shareholder, there will be a 1% discount to the Redemption Amount; and

VI. If the Date of Retraction is on or following the fifth year anniversary of the date such Class B Shares were issued to the Shareholder, no discount will apply.

In the event Class B Shares are not acquired through an arm's length registered EMD, the discounts listed above will not apply to Subscribers exercising their retraction rights. Upon receipt by the Corporation of the Retraction Notice, the holder of Retractable Shares shall thereafter cease to have any rights with respect to the Retractable Shares tendered for retraction (other than to receive the Redemption Amount, less any applicable discount) which has accrued up to and including the Date of Retraction (as defined below). Class B Shares shall be considered to be tendered for retraction on the date that the Corporation has, to the satisfaction of the Board of Directors, received the Retraction Notice.

On the day that is 120 days after the end of the year in which the Retraction notice is received by the Corporation (the "Date of Retraction"), the Corporation will be required to redeem the Retractable Shares specified in the Retraction Notice. The Redemption Amount for each Retractable Share to be redeemed will be calculated as of the Date of Retraction.

The Corporation will not be required to redeem Class B Shares for which Retraction Notices are given, if:

(a) redemption of the aggregate number of Class B Shares subject to the Retraction Notices would result in the Corporation having a Class B Shareholder during the period of time since the start of the most recent fiscal year which owns greater than 25% of the Class B Shares issued and outstanding (at any time since the start of the then current fiscal year and or as at the beginning of the fiscal year during which the last of such Retraction Notices are given);

(b) it would result in the Corporation having less than 20 holders of Class B Shares as defined under the Mortgage Investment Corporation provisions of the Tax Act;

(c) it would result in the Corporation having retracted a number of Class B Shares during the time since the start of the then current fiscal year which is greater than 5% of the Class B Shares issued and outstanding as at the beginning of that fiscal year; or

(d) it would result in the Corporation having retracted a number of Class B Shares on the Date of Retraction which is greater than 5% of the Class B Shares issued and outstanding as at the beginning of the then current fiscal year.

Restrictions (a) and (b) are imposed to ensure that the Corporation continues to qualify as a Mortgage Investment Corporation under the Tax Act. However, subject to the requirements of Alberta corporate law, the Corporation may waive either restriction outlined in (c) or (d) above, and failing such waiver, Class B Shares that are subject to Retraction Notices validly given will be redeemed on a basis which is pro rata to the number of Class B Shares subject to such Retraction Notices.

Entitlement on Liquidation, Dissolution or Winding Up

In the event of a reduction of capital or the liquidation, dissolution or winding-up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Shares and the Class B Shares shall be entitled to receive an amount equal to the aggregate amount paid up on the Class A and Class B Shares held by them respectively and in the event that there is not sufficient property or assets to return the entire amount paid up thereon to all holders, the amount available for distribution shall be distributed to the holders rateably.

After the Corporation has made the distribution to the holders of the Class A Shares and Class B Shares contemplated above, the holders of the Class A and Class B Shares shall be entitled to receive, on an equal basis, a share of the remaining amount available for distribution. The aggregate amount distributable to all holders of any class of shares shall be determined by multiplying the amount remaining to the distributed by a fraction, the numerator of which is the number of shares of the class then outstanding and the denominator of which is the number of shares of all classes then outstanding.

Constraints on Transferability

Paragraph 130.1(6)(d) of the Tax Act stipulates that to qualify as a mortgage investment corporation, a corporation must have at least twenty shareholders and no one shareholder may be a Specified Shareholder, as such term is defined in the Tax Act, of the corporation.

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

The Board of Directors intend to refuse registration of an allotment or any transfer of shares which would result in the Corporation ceasing to meet the qualifications of a mortgage investment corporation.

As the Corporation is not currently a reporting issuer in the selling jurisdictions or in any other jurisdiction, the Class B Shares are subject to resale restrictions pursuant to applicable securities law. See “Resale Restrictions”.

Notwithstanding anything else contained in the Articles of Incorporation, no distribution shall be made to the holders of shares of the Corporation if such distribution would result in a violation of any provision of the ABCA. For purposes of this section, "Distribution" means any declaration, payment or disbursement to the holders of any shares of the Corporation then outstanding including dividends in cash or in specie or the purchases, redemption or other retirement of any outstanding shares except when such is paid out of the proceeds of a fresh issue of shares for the purposes of the redemption.

5.2 Subscription Procedure

An Investor may subscribe for Class B Shares by delivering the following documents to the Corporation at the address shown in the Subscription Agreement:

(a) an executed Subscription Agreement, including all applicable attachments, in the form provided with this Offering Memorandum; and

(b) a certified cheque or bank draft made payable to the Corporation in the amount of the subscription price for the Class B Shares.

The Corporation will hold your subscription funds in trust until midnight on the second business day after the day on which the Corporation received your signed subscription agreement. After this, the Corporation will hold the subscription funds in trust pending Closing. See Item 11 - "Purchaser's Rights".

This Offering is not subject to any minimum subscription level, and therefore any funds received from an Investor are available to the Corporation and need not be refunded to the Investor. Closing is expected to occur on or before June 30, 2015, but may occur at such other earlier or later date or dates, as determined by the Corporation.

The Corporation reserves the right to accept or reject in whole or in part and the right to close the subscription books at any time without notice. Any investment funds for subscription that the Corporation does not accept will be promptly returned after the Corporation has determined not to accept the investment funds.

At a closing of the Offering, the Corporation will deliver to the Investor copies of the certificates representing fully paid and non-assessable Class B Shares, provided the subscription price has been paid in full. **Unless directed otherwise, the original share certificates will be kept in the Corporation's Minute Book.**

An Investor should carefully review the terms of the Subscription Agreement attached hereto for more detailed information concerning the rights and obligations of the Investor and the Corporation. Execution and delivery of the subscription agreement will bind the Investor to the terms thereof, whether executed by the Investor or by an agent on the Investors behalf. The Investor should consult with their professional advisors. See Item 8 - "Risk Factors".

ITEM 6 CANADIAN FEDERAL INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

Based on the advice of Collins Barrow Calgary, LLP, the advisors to the Manager, the following is a summary of the material Canadian federal income tax considerations to Investors in Class B Shares offered pursuant to this Offering Memorandum who are individuals or corporations resident in Canada, who deal at arm's length with the Corporation and who hold Shares as capital property, all within the meaning of the Tax Act.

No application has been made for an advance income tax ruling with respect to the investment described in this Offering Memorandum, nor is it intended that any application be made.

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

This summary does not address the federal income tax consequences of Investors who are:

(a) not residents of Canada;

(b) traders or dealers in securities;

(c) agents, if any, acting on behalf of the Corporation in completing the Offering;

(d) partnerships or trusts;

(e) “financial institutions” as defined in subsection 142.2(1) of the Tax Act for purposes of the mark to market rules;

(f) or dealing at non-arm’s length with the Corporation.

This summary is based on the Tax Act, the Regulations to the Tax Act and the current administrative practices of the Canada Revenue Agency (“CRA”). This summary also takes into account any published proposals to amend the Tax Act and Regulations and announcements made by the Minister of Finance by way of press release or announcement in the House of Commons prior to June 29, 2015. It has been assumed that any proposed amendments to the Tax Act announced before the date hereof will be enacted in substantially their present form and that no other relevant amendments to the Tax Act will come into force. This summary does not otherwise take into account or anticipate any change in law, whether by judicial, governmental or legislative action, nor does it take into account provincial or territorial tax laws of Canada or the tax laws of any foreign country.

While the Corporation will furnish each Shareholder with annual tax information relevant to the Shareholder’s Canadian federal and provincial tax returns, the preparation and filing of these returns will remain the sole responsibility of each Investor.

The federal and provincial income tax consequences to a particular Investor of an investment in Class B Shares pursuant to the Offering will vary depending upon a number of factors including the particular Province in which the Investor resides, carries on business or has a permanent establishment, the legal characterization of the Investor as an individual, corporation, trust or partnership and the amount that would be the Investor's taxable income but for the Investor's investment in the Class B Shares. This summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular Investor. Accordingly, each Investor should obtain independent advice regarding the income tax consequences of investing in Shares with reference to the Investor’s own particular circumstances.

6.1 Interest on Amounts Borrowed to Purchase Shares

An Investor that borrows funds to purchase shares may be eligible to deduct all or a portion of the interest paid against the interest earned on Shares. However, if an investor borrows money or incurs indebtedness in order to contribute to an RRSP, RRIF, RESP, TFSA or DPSP (each a "Deferred Income Plan") which in turn acquired Shares, any interest incurred by such investor will not be deductible for tax purposes.

6.2 Income Tax Considerations

The Corporation is required to meet the conditions under the Tax Act to qualify as a Mortgage Investment Corporation, which generally will be satisfied if, throughout a taxation year of the Corporation:

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

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

(c) no debts were owing to the Corporation that were secured on real property situated outside Canada;

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

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

(f) the Corporation did not hold real property; or any leasehold interest in such property, located outside of Canada;

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

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

(i) the Corporation had at least 20 shareholders (in its first taxation year the Corporation must have at least 20 shareholders on the last day of that year) and no person held, together with corporations related to them, their spouse or common-law partner, and their minor children, more than 25% of the shares of any class of the Corporation at any time in the taxation year;

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

(k) where at any time in the year the cost amount of its Qualifying Property as defined in (g) above, plus its money, was less than two-thirds of the cost amount to it of all property, the Corporation's liabilities did not exceed three times the amount by which the cost amount to it of all of its property exceeded its liabilities; and

(l) where the condition in (k) is not applicable in that the cost amount of its Qualifying Property equalled or was greater than two-thirds of the cost amount of all its property, the Corporation's liabilities may not exceed five times the amount by which the cost amount of all of its property exceeds its liabilities.

If the Corporation were at any time to cease to qualify as a MIC, the income tax considerations would materially change.

6.3 Taxation of the Corporation

Provided the Corporation remains a MIC throughout the year, the Corporation will be entitled to deduct the full amount of all taxable dividends (other than capital gains dividends) which it pays during the year or within 90 days after the end of the year to the extent that such dividends were not deductible by the Corporation in computing its income for the preceding year. As a public corporation, the Corporation will be subject to tax at the highest corporate rates. However, the Corporation intends to declare dividends each year in sufficient amounts to reduce its taxable income to a nominal amount.

6.4 Taxation of Shareholders

DIVIDENDS WILL BE INCLUDED IN A SHAREHOLDER'S TAXABLE INCOME AS INTEREST. THE NORMAL GROSS UP AND DIVIDEND TAX CREDIT RULES WILL NOT APPLY TO DIVIDENDS PAID BY THE CORPORATION TO AN INDIVIDUAL AND TRUSTS ON A COMMON OR PREFERRED SHARE AND SHAREHOLDERS THAT ARE CORPORATIONS WILL NOT BE ENTITLED TO DEDUCT THE AMOUNT OF DIVIDENDS PAID BY THE CORPORATION FROM THEIR TAXABLE INCOME.

The cost to a subscriber of Class B Shares acquired pursuant to this offering memorandum will equal the purchase price of the Shares plus the amount of any other reasonable costs incurred in connection therewith.

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

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

The taxable capital gains realized by a shareholder that is an individual may give rise to alternative minimum tax depending upon the shareholder's circumstances. A shareholder that is a "Canadian Controlled Private Corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6.67% on certain investment income, including amounts in respect of interest and taxable capital gains. The 6.67% tax is to be added to such corporation's refundable dividend tax on-hand account and will be eligible for refund at a rate of $1 for every $3 of taxable dividends paid by the Corporation.

6.5 Eligibility for Investment by Deferred Income Plans

The Class B Shares will be qualified investments for a trust governed by a Deferred Income Plan at a particular time if the Corporation qualifies as a MIC at such particular time and if throughout the calendar year in which the particular time occurs, the Corporation does not hold as part of its property any indebtedness, whether by way of Mortgage or otherwise, of a person who is an annuitant, a beneficiary, an employer or a subscriber, as the case may be, under the relevant Deferred Income Plan or of any other person who does not deal at arm's length with that person. Deferred Income Plans will generally not be liable for tax in respect of any dividends received from the Corporation.

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

If an RRSP, RRIF or TFSA holds a non-qualified Investment at any time during a particular year, the RRSP, RRIF or TFSA will be subject to a tax under Part I of the Tax Act on income attributable to the non-qualified investment. An RESP which holds non-qualified investments can have its registration revoked by the CRA.

There are additional requirements for a Deferred Income Plan that is an RRSP, RRIF or TFSA, whereby the Class B Shares cannot be a "prohibited investment" or penalty taxes will apply in respect of the investment as well as to any income or capital gains realized from the investment. The Class B Shares will be a "prohibited investment" if, at any time while the Class B Shares are owned by a trust governed by one of the foregoing Deferred Income Plans, the individual account holder, beneficiary, annuitant or subscriber, as the case may be, of the Plan does not deal at "arm's length" with the Corporation, or that individual is a "specified shareholder" of the Corporation as defined in the Tax Act. A specified shareholder is a person who owns 10% or more of any class of shares of the Corporation, and for this purpose an individual is deemed to own any shares owned by non-arm's length persons.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

It is currently contemplated that the offered securities will primarily be sold through the Manager pursuant to the Management and Administration Agreement. The Manager will not receive any commission or finder's fee for selling the offered securities. However, the Manager is compensated for providing its management services, which includes its services as an EMD, by an annual fee equal to 2% per annum of the assets of the Corporation under management, plus applicable taxes.

The Manager has the discretion to set interest rates and to determine the amount of fees payable by borrowers on Mortgage Investments. Since the Manager generates revenue from fees paid by borrowers but the Corporation earns income from interest earned, the Management Agreement provides that the Corporation and the Manager will effectively normalize (to an extent) these earnings. For example, when interest rates are relatively high but fees charged to borrowers are low, the Corporation will pay the Manager an Additional Fee, not to exceed an amount equal to 2.00% of interest paid by borrower under the terms of the Mortgage Investment. Conversely, when fees are relatively high but interest rates low, the Manager will pay an amount 2.00% or greater to the Corporation in an effort to normalize earnings as between the Corporation and Manager.

The Corporation also reserves the right to retain the services of arm's length sellers/finders (a "Finder") in connection with this Offering, and if so, where permitted by the Securities Policies, the Manager on the Corporation's behalf will negotiate terms as follows:

(a) the Finder will be paid a finder's fee of up to 5% of the investment monies raised by the Finder;

(b) no brokers warrants or agent's options will be issued as a component of the finder's fee; and

(c) any finder's fee paid will consist of cash compensation only, no securities will be issued as compensation.

In addition to the Finder's fee contemplated above, in some cases, dealing representatives licensed under the Manager (in the Manager's capacity as EMD) may be paid, on a quarterly basis, an amount equal to 1.0% of the aggregate gross proceeds of the sale of Shares sold by those dealing representatives for as long as those Shares remain issued and outstanding.

In addition to the fees contemplated above, where permitted by the Securities Policies, the Corporation may pay Finders a cash trailer fee (a "Trailer Fee") in respect of investment monies raised by the Finder. Trailer Fees on Preferred Shares are to be calculated as at the second, third, fourth and fifth fiscal year end following the Offering and in which the investment monies raised by the Finder remain invested in the Corporation, and paid within 30 days thereafter. In no event shall a Trailer Fee exceed 1.00% per annum of the amount raised by that Finder.

The Manager is also registered as an EMD under Securities Policies and provides EMD services to the Corporation. Accordingly, the Corporation is a "connected issuer" to the Manager as defined in NI 33-105 Underwriting Conflicts. The Corporation is a connected issuer to the Manager, in its capacity as an EMD, because of the following relationships: Charles McKitrick indirectly owns 89.9% of the issued and outstanding voting shares of the Manager. Further, Charles McKitrick is a director and officer of both the Manager and the Corporation, and is a voting shareholder of the Corporation, holding 9.1% of the issued voting shares. The Manager, in its capacity as an EMD, has had no involvement in the decision to distribute the Class B Shares under the Offering. The Manager, in its capacity as an EMD, is not underwriting the Offering as an EMD, nor is the Manager the sole EMD used by the Corporation for this Offering. Jared Morrison indirectly owns 10.1% of the shares of the manager and owns 9.1% of the shares of the corporation.

ITEM 8 RISK FACTORS

This is a speculative offering. The purchase of Preferred Shares involves a number of risk factors and is suitable only for Subscribers who are aware of the risks inherent in the real estate industry and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on a Subscriber's investment. There are certain risks inherent in an investment in the Class B Shares of the Corporation, including the following factors, which investors should carefully consider before investing. Some of the following factors are interrelated and, consequently, investors should treat such risk factors as a whole. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Offering Memorandum. These risks and uncertainties are not the only ones that could affect the Corporation and additional risks and uncertainties not currently known to the Corporation or the Manager, or that they currently deem immaterial, may also impair the returns, financial condition and results of operations of the Corporation. If any such risks actually occur, the returns, financial condition and results of operations of the Corporation could be materially adversely affected and the financial performance of the Corporation and the ability of the Corporation to make cash distributions or satisfy requests for redemptions of Class B Shares could be materially adversely affected.

8.1 Investment Risks

Private Offering

This Offering Memorandum constitutes a private offering of the Class B Shares by the Corporation only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions in applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these Class B Shares. Subscribers pursuant to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

Resale Restrictions

While the Class B Shares do have certain retraction rights attached, the Class B Shares are also subject to onerous and indefinite resale restrictions under Securities Policies. There is no market through which the Class B Shares may be sold and the Corporation does not expect that any market will develop pursuant to this Offering or in the future. See Item 5 - "Securities Offered – Retraction Rights".

Investment Risks or Paying Distributions

There is no assurance that the Corporation will be able to achieve its investment objectives or be able to pay dividend distributions consistent with historical dividend distributions. The funds available for distribution to holders of Class B Shares will vary according to, among other things, the interest and principal payments received in respect of the mortgage loans comprising the Corporation's mortgage portfolio and the realizable value of the Corporation's assets. There is no assurance that the Corporation's mortgage portfolio will earn any return. There is a risk that the Corporation may not be in a position to pay dividend distributions, particularly if the Corporation cannot meet the test governing the payment of dividends set forth in section 43 of the ABCA.

An investment in the Corporation is appropriate only for investors who have the capacity to absorb a loss on their investment and who can withstand the effect of distributions not being paid in any period or at all.

No Guarantees or Insurance

There can be no assurance that mortgage loans of the Corporation will result in a guaranteed rate of return or any return to holders of Class B Shares or that losses will not be suffered on one or more mortgage loans. Moreover, at any point in time, the interest rates being charged for mortgages are reflective of the general level of interest rates and, as interest rates fluctuate, it is expected that the aggregate yield on mortgage investments will also change.

A mortgage borrower's obligations to the Corporation or any other person are not guaranteed by the Government of Canada, the government of any province or any agency thereof nor are they insured under the *National Housing Act* (Canada). In the event that additional security is given by the borrower or a third party or that a private guarantor guarantees the mortgage borrower's obligations, there is no assurance that such additional security or guarantee will be sufficient to make the Corporation whole if and when resort is to be had thereto. Further, Class B Shares are not "deposits" within the meaning of the *Canadian Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

Distributions

The funds available for distributions will vary according to, among other things, the value of the Portfolio and the interest earned thereon. Fluctuations in the market value of the Portfolio may occur for a number of reasons beyond the control of the Manager or the Corporation. The Corporation will depend on revenue generated from the Portfolio. There can be no assurance regarding the amount of revenue that will be generated by the mortgages comprising the Portfolio. The amount of distributions will depend upon numerous factors, including the ability of borrowers to make applicable payments under mortgages comprising the Portfolio, interest rates, unexpected costs, and other factors which may not now be known by or which may be beyond the control of the Corporation or the Manager. If the directors of the Corporation, on the advice of the Manager, determine that it would be in the best interests of the Corporation, they may reduce or suspend for any period, or altogether cease indefinitely, the distributions to be made on the Class B Shares.

Redemption Risks

The Class B Shares are redeemable, meaning that Investors do have the right to require the Corporation to redeem them upon appropriate notice. Such redemptions are subject to certain restrictions and conditions set out in the Corporation's Articles. Therefore, Subscribers may not be able to redeem their Class B Shares in the timeframe expected, or at all. The Corporation provides no assurance that any Subscriber will be able to redeem any or all of their Class B Shares at any time. Redemption of the Class B Shares is subject to a maximum number of Class B Share redemptions in a given fiscal year or a calendar month. Such redemption is also subject to the Corporation having access to sufficient cash, or other liquid assets, and being in compliance with Applicable Laws, and is subject to the terms in this Offering Memorandum, all as determined by the Corporation. In particular, the Corporation must meet the statutory test governing the redemption of shares set forth in section 36 of the ABCA. Retraction and redemption of the Class B Shares is also subject to the discretion of the directors to act in the best interests of the MIC under the Tax Act. Accordingly, an investment in the Class B Shares should only be considered by Investors who do not require liquidity. See Item 5 - "Securities Offered – Retraction Rights".

In addition, if a significant number of Class B Shares are redeemed, (i) the Corporation may be required to sell Portfolio assets in order to satisfy redemption payment obligations and may not be able to complete such Portfolio asset sales on favourable terms or at all, and (ii) the expenses of the Corporation would be spread among fewer Class B Shares resulting in a higher expense ratio per Class B Share.

Qualification as a MIC

Although the Corporation intends to maintain its qualification at all times as a MIC, no assurance can be provided in this regard. If for any reason the Corporation does not maintain its qualification as a MIC under the Tax Act, dividends paid by the Corporation on the Class B Shares will cease to be deductible by the Corporation in computing its income and will no longer be deemed to have been received by holders of Class B Shares as interest or a capital gain, as the case may be. In addition unless the Class B Shares are listed on a designated stock exchange, the Class B Shares may not constitute qualified investments for a TFSA, RRSP, DPSP, RRIF, RDSP and RESP. See Item 6 - "Canadian Federal Income Tax Consequences".

No shareholder of the Corporation is permitted, together with Related Persons, at any time to hold more than 25% of any class of the issued shares. The Corporation intends to monitor major holdings of shares within each class of shares to ensure that no one shareholder of the Corporation exceeds this 25% maximum ownership limit set by the Tax Act, in order for the Corporation to maintain its qualification as a MIC. See "Canadian Federal Income Tax Consequences".

Income Tax Act Issues

Under new Tax Act legislation, no investor may in conjunction with related parties hold via registered funds (such as RRSPs) more than a 10% interest in an entity. If the 10% threshold is exceeded, then there may be immediate tax consequences to the investor. The Corporation intends to monitor major holdings of Class B Shares to ensure that no shareholders of the Corporation exceed this 10% maximum ownership limit, however, it is the responsibility of the investor to ensure that its registered funds are properly invested in compliance with these Tax Act requirements.

8.2 Issuer Risks

Concentration and Composition of the Portfolio

The Portfolio will be invested primarily in Second Mortgages (the Corporation may also hold cash and cash equivalents). Given the concentration of the Corporation's exposure to the mortgage lending sector, the Corporation will be more susceptible to adverse economic or regulatory occurrences affecting that sector than an investment fund that is not concentrated in a single sector.

Investments in mortgages are relatively illiquid. Such illiquidity will tend to limit the Corporation's ability to vary its Portfolio promptly in response to changing economic or investment conditions.

The investment objectives and investment restrictions of the Corporation permit the assets of the Corporation to be invested in a broad spectrum of principally Second Mortgages, and the Corporation may from time to time invest in mortgage loans that are exceptions to the Mortgage Investment Criteria. Therefore, the composition of the Portfolio may vary widely from time to time, subject to the investment objectives and investment restrictions of the Corporation. The Portfolio will be invested and may from time to time be concentrated by location of the properties, type of property, or other factors resulting in the Portfolio being less diversified than at other times. As a result, the returns generated by the Portfolio may change as its composition changes.

Litigation Risks

The Corporation may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. During litigation, the Corporation is not receiving payments of interest on a mortgage loan that is the subject of litigation, thereby impacting cash flows. The unfavourable resolution of any legal proceedings could have an adverse effect on the Corporation and its financial position and results of operations that could be material.

Reliance on the Manager and the Lending Committee

Pursuant to the terms and conditions of the Management and Administration Agreement (see "Material Agreements"), the Manager exercises a very high degree of control over the business, operations and affairs of the Corporation and has complete control over the management and administration of the funds of the

Corporation. The Manager has undertaken to exercise the power to direct and exercises the responsibility of directing the affairs of the Corporation. As a result, any change in ownership of the Manager, bankruptcy or insolvency proceedings involving the Manager or litigation commenced against the Manager will have a material impact on the Corporation and its investments and ultimately could have a material impact on the return of principal and interest associated with a Purchaser's Class B Shares. Further, the Manager advises the Corporation in a manner consistent with the investment objectives, the Mortgage Investment Criteria and the investment restrictions of the Corporation. Although the employees of the Manager who will be primarily responsible for the performance of the obligations owed to the Corporation have extensive experience, there is no certainty that such individuals will continue to be employees of the Manager in the future. In addition, the Management and Administration Agreement may be terminated at any time by either party thereto on 90 days' prior written notice. There is no assurance that the Manager will continue to provide services to the Corporation.

There is no certainty that the persons who are currently officers and directors of the Manager will continue to act in such capacity. Shareholders will be required to rely on the good faith, expertise and judgment of the individuals comprising the management of the Manager from time to time. Shareholders do not have the right to direct or influence in any manner the business or affairs of the Manager.

In addition, there is no certainty that the persons who are current members of the Lending Committee will continue to act in such capacity. Shareholders will be required to rely on the good faith, expertise and judgment of the individuals comprising the Lending Committee from time to time.

The Corporation may be Unable to fund Investments

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

Conflicts of Interest

The Corporation is subject to a number of actual and potential conflicts of interest involving the Manager and its affiliates because the Manager provides discretionary investment management services to other investors, including other investment funds (mortgage investment corporations), and the Manager and its affiliates may also invest for their own accounts. Accordingly, the services that are to be provided by the Manager pursuant to the Management and Administration Agreement are not exclusive to the Corporation and the Management and Administration Agreement does not restrict the Manager or its affiliates from establishing additional investment funds, from entering into other advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Corporation and/or involve substantial time and resources of the Manager. In fact, the Manager currently provides investment advisory services to a number of different clients and this will preclude the Manager from devoting all of its time and effort to the business of the Corporation.

For example, the Manager may manage or advise with respect to accounts or mortgage investment corporations (including separate accounts and other funds and pooled investment vehicles) that have investment objectives similar to those of the Corporation and may engage in transactions in the same types of securities and instruments as the Corporation. Such transactions will, except as discussed below, be executed independently of transactions of the Corporation and thus at prices or rates that may be more or less favourable than those obtained by the Corporation.

The Corporation will rely upon the Manager to manage the business of the Corporation and to provide managerial skill. The directors and officers of the Manager may have a conflict of interest in allocating their time between the respective businesses and interests of the Manager and the Corporation, and other businesses or projects in which they may become involved.

Further, the Corporation and the Manager are related parties in that Charles McKitrick is a voting shareholder, directly or indirectly, of each of the Corporation and the Manager. Also, Charles McKitrick is a director and officer of each of the Corporation and the Manager. Fahn Bacon is a voting shareholder and officer of the Corporation and is an officer of the Manager. George Botros is a voting shareholder and a director and officer of the Corporation and is an officer of the Manager. Jared Morrison is a voting shareholder of the Corporation and is a director and officer of the Manager. Potential conflicts of interest involving directors or senior officers of the Manager or the Corporation shall be governed by the provisions of the ABCA. Subsection 120(1) of the ABCA provides that where a director or officer of a corporation is a party to a material contract or proposed material contract with the corporation, or is a director or officer, or has a material interest in any person who is a party to a material contract or proposed material contract with the corporation, three requirements must be met to render the contract enforceable against the corporation:

(i) the director or officer must give adequate notice of his or her interest;

(ii) the director or officer must not vote on the approval of the contract by the board of directors; and

(iii) the contract must be fair and reasonable to the corporation.

Ability to Manage Growth

The Corporation intends to grow the Portfolio. In order to effectively deploy its capital and monitor its loans and investments in the future, the Corporation will need to rely on the Manager to retain additional personnel and may be required to augment, improve or replace existing systems and controls, each of which can divert the attention of management from their other responsibilities and present numerous challenges. As a result, there can be no assurance that the Corporation will be able to effectively manage its growth and, if it is unable to do so, the Portfolio may be materially adversely affected.

Unsecured Investments

The Corporation is a MIC and as such it is in the business of investing in various mortgages as described above under the headings “Investment Strategies”, “Investment Process and Mortgage Investment Criteria”. As a MIC, the Corporation is permitted under the Tax Act to invest in a wide range of investments (i.e., Permitted Investments) other than Mortgage Investments. The Corporation may invest in debt or equity instruments which are not secured by any land collateral or personal property collateral. There is a risk that in the event the borrower defaults in repayment of these unsecured obligations, the Corporation may never collect any amounts owed to it pursuant to the terms of the obligations. This can affect interest income revenue and can tie up revenue which could otherwise be used by the Corporation to invest in performing mortgages and honour redemption requests made by the shareholders.

Borrower Profile

Some of the Corporation’s Mortgage Investments will be comprised of loans made to individuals who are involved in bankruptcy proceedings, who are the subject of foreclosure proceedings, who have poor credit scores or who are self-employed. The credit risks that these borrower’s present may negatively impact their ability to repay a Mortgage loan which could in turn lead to an increased number of defaults in the Corporation’s Portfolio. For a discussion on the impact Mortgage defaults have on the Corporation please see Item 8 - “Risk Factors – Risks Related to Mortgage Defaults” below.

Borrowing and Leverage

The Corporation may utilize leverage (the borrowing of capital for investing in mortgages) from time to time at the discretion of the Manager through the Credit Facility #1 arranged by the Manager with the Creditors, who are each arm’s length parties to the Corporation. Subject to complying with the rules to maintain its qualifications as a MIC, under the Credit Facility #1 the Corporation may borrow up to a maximum amount of $3,000,000. The Manager expects that the Corporation will utilize leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #1 will bear interest at the rate of 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month.

The Corporation has granted the Creditors a first priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation’s Portfolio. This means that the rights of Investors to interest income paid via dividends and to the return of capital via redemption of Shares or through wind-up and dissolution will be subordinate to the right of the Creditors to be repaid any amounts which may be outstanding under the Credit Facility #1. As of the date of this Offering Memorandum, the balance owing under the Credit Facility #1 is $1,000,000.

In addition to the Credit Facility #1 as described above, the Corporation may utilize leverage from time to time at the discretion of the Manager through the Credit Facility #2 arranged by the Manager with AWM Balanced Mortgage Investment Corporation ("Balanced"), a non-arm's length party related to the Corporation. Balanced is related to the Corporation by virtue of the following relationships: Charles McKitrick is a director, vice-president and voting shareholder of both the Corporation and Balanced. Fahn Bacon is the secretary and a voting shareholder of both the Corporation and Balanced. George Botros is a director and is president of the Corporation and is also a voting shareholder in Balanced. Subject to complying with the rules to maintain its qualifications as a MIC, under the Credit Facility #2 the Corporation may borrower up to a maximum amount of $3,000,000. The Manager expects that the Corporation will utilize leverage to bridge timing differences resulting from loan maturities and new loan origination and for general working capital purposes when required. The Credit Facility #2 will bear interest at the rate of 7.5% per annum. Interest on any outstanding principal amount will be calculated monthly and will be payable monthly on the third business day following the end of the preceding month.

The Corporation has granted Balanced a second priority security interest in the cash and securities held by the Corporation and also in all current and future Mortgage Investments contained in the Corporation's Portfolio. **This means that the rights of Investors to interest income paid via dividends and to the return of capital via redemption of Shares or through wind-up and dissolution will be in a third priority position behind the Creditors and Balanced.** As of the date of this Offering Memorandum, the balance owing under the Credit Facility #2 is $5,835,569.67.

In the event the Corporation cannot meet its obligations with respect to Credit Facility #1 or Credit Facility #2 (such as the payment of interest or the repayment of principal), the Corporation may incur substantial costs if the Corporation is forced to sell assets to repay either loan or to otherwise protect its Investments while managing its debts. In addition, the Corporation may lose some or all of its assets as a result of either the Creditors or Balanced exercising their rights under their respective security agreements taken as security in connection with Credit Facility #1 and Credit Facility #2 (collectively, the "Credit Facilities").

The interest expense incurred in respect of the Credit Facilities may exceed the incremental capital gains/losses and income generated by the incremental investments in Mortgages made with the proceeds of the Credit Facilities. Accordingly, any event which adversely affects the value of Mortgages would be magnified to the extent that the Credit Facilities are employed to purchase such Mortgages. In addition, the Corporation may not be able to renew the Credit Facilities on acceptable terms or at all. There can be no assurance that the borrowing strategy employed by the Corporation in respect of the Credit Facilities will enhance returns.

8.3 Mortgage Investment Industry Risk

Changes in Land Values

The Corporation's investments in mortgage loans will be secured by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants where applicable, competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors.

The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. Changes in market conditions may decrease the value of the secured property and reduce the cash flow from the property, thereby impacting on the ability of the borrower to service the debt and/or repay the loan based on the property income. In particular, recent disruptions to the credit and financial markets in Europe and worldwide and local economic disruptions in areas where the borrowers of the mortgage loans are located may adversely affect the value of real estate on which the mortgage loans are secured and the ability of the borrowers to repay the mortgage loans and thereby negatively impact on the Corporation's business and the value of the Class B Shares.

A substantial decline in value of real property provided as security for a mortgage may cause the value of the property to be less than the outstanding principal amount of the mortgage loan. Foreclosure by the Corporation on any such mortgage loan generally would not provide the Corporation with proceeds sufficient to satisfy the outstanding principal amount of the mortgage loan.

Where independent appraisals are required before the Corporation may make any mortgage investments, the appraised values provided, 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 of construction, rehabilitation or leasehold improvements on the real property providing security for the loan. There can be no assurance 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.

Competition

The performance of the Corporation depends, in large part, on the Manager's ability to invest in or acquire mortgage loans at favourable yields. While the Manager does not anticipate significant competition in the areas in which it proposes to invest, it will compete with individuals, corporations and institutions for investment opportunities in the financing of real property. Some of these competitors may have greater resources than the Corporation and may therefore operate with greater flexibility. As a result, the Manager may not be able to acquire sufficient mortgage loans at favourable yields or at all.

Sensitivity to Interest Rates

It is anticipated that the market value of the Portfolio at any given time may be affected by the level of interest rates prevailing at such time. The Corporation's income will consist primarily of interest payments on the principally Second Mortgages comprising the Portfolio. If there is a decline in interest rates (as measured by the indices upon which the interest rates of the Corporation's mortgages are based), the Corporation may find it difficult to arrange additional mortgages bearing rates sufficient to achieve the targeted payment of distributions on the Class B Shares. There can be no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect the Corporation's ability to maintain distributions on the Class B Shares at a consistent level. As well, if interest rates increase, the value of the Corporation's existing Portfolio will be negatively impacted.

Availability of Investments

As the Corporation relies on the Manager to source the mortgages it invests in, the Corporation is exposed to adverse developments in the business and affairs of the Manager, to its management and financial strength and to its ability to operate its businesses profitably. The ability of the Corporation to make investments in accordance with its investment objectives and investment strategies depends upon the availability of suitable investments and the amount of funds available to make such investments. Additionally, the Corporation may occasionally hold excess funds to be invested in additional mortgages, which may negatively impact returns.

Risks Related to Mortgage Defaults

As part of the Manager's active management of the Portfolio, among other strategies, the Manager may from time to time deem it appropriate to extend or renew the term of a mortgage loan past its maturity, or to accrue the interest on a mortgage loan. The Manager generally will do so if it believes that there is a very low risk to the Corporation of not being repaid the full principal and interest owing on the mortgage loan. In these circumstances, however, the Corporation is subject to the risk that the principal and/or accrued interest of such mortgage loan may not be repaid in a timely manner or at all, which could impact the cash flows of the Corporation during the period in which it is exercising such remedies. The higher the number of mortgages in default contained in a mortgage portfolio the higher the risk to the investor, since this risk can affect interest income revenue and can tie up revenue which could otherwise be used by the Corporation to invest in performing mortgages and honour redemption requests made by the shareholders. There is also increased risk to the investor with a mortgage in default as a mortgage in default may ultimately result in a foreclosure. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that the Corporation may not recover all or the entire principal and interest owed to the Corporation in respect of such mortgage loans in default. As at the date hereof, the Corporation's Portfolio includes 15 mortgages in the aggregate amount of $995,644.31 which are in default for being over 60 days and loss provisions have been taken by the Corporation. The aggregate amount of the loss provisions taken is $317,876. Where loss provisions are taken amounts are deducted from dividends that the Corporation otherwise intended to pay its shareholders. See "Our Business – Mortgage Portfolio Summary" for particulars on aged loans related to the Corporation's Portfolio.

When a mortgage loan is extended past its maturity, the loan can either be held over on a month to month basis, or renewed for an additional term at the time of its maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the Manager has the ability to exercise its mortgage enforcement remedies in respect of the extended or renewed mortgage loan. Exercising mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of the Corporation during the period of enforcement. In addition, as a result of potential declines in real estate values, there is no assurance that the Corporation will be able to recover all or substantially all of the outstanding principal and interest owed to the Corporation in respect of such mortgages by exercising its mortgage enforcement remedies. Should the Corporation be unable to recover all or substantially all of the principal and interest owed to the Corporation in respect of such mortgage loans as well as costs, the overall value of the Corporation would be reduced, and the returns, financial condition and results of operations of the Corporation could be adversely impacted.

Foreclosure and Related Costs

One or more borrowers could fail to make payments according to the terms of their loan, and the Corporation could therefore be forced to exercise its rights as mortgagee. The recovery of a portion of the Corporation's assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the Corporation's rights as mortgagee. Legal fees and expenses and other costs incurred by the Corporation in enforcing its rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable they will be borne by the Corporation. As a consequence this can negatively affect the Corporation's interest income stream and can tie up revenue which could otherwise be used by the Corporation to invest in performing mortgages and honour redemption requests made by the shareholders.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs, administration costs and related charges must be made through the period of ownership of real property regardless of whether the property is producing income or whether mortgage payments are being made. The Corporation may therefore be required to incur such expenditures to protect its investment, which can also negatively affect the Corporation in the same manner as described above.

Change in Legislation

There can be no assurance that certain laws applicable to the Corporation, including Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation thereof, will not change in a manner that will adversely affect the fund or fundamentally alter the tax consequences to shareholders acquiring, holding or disposing of Class B Shares.

Environmental Matters

The Corporation may in the future take possession, through enforcement proceedings, of properties that secured defaulted mortgage loans to recover its investment in such mortgage loans. Prior to taking possession of properties which secure a Mortgage Investment, the Manager will assess the potential environmental liability associated with such investment and determine whether it is significant, having regard to the value of the property. If the Manager subsequently determines to take possession of the property, the Corporation could be subject to environmental liabilities in connection with such real property, which could exceed the value of the property. As part of the due diligence performed in respect of the Corporation's proposed Mortgage Investments, the Manager may obtain a Phase I Environmental Audit on the underlying real property provided as security for a mortgage, when it has determined that a Phase I Environmental Audit is appropriate. However, there can be no assurance that any such Phase I Environmental Audit will reveal any or all existing or potential environmental liabilities necessary to effectively insulate the Corporation from potential liability for a materially adverse environmental condition at any mortgaged property. If hazardous substances are discovered on a property of which the Corporation has taken possession, the Corporation may be required to remove such substances and clean up the property. The Corporation may also be liable to tenants and other users of neighbouring properties and may find it difficult or not possible to resell the property prior to or following such clean-up.

ITEM 9 REPORTING OBLIGATIONS

The Corporation is not a "reporting issuer" under the securities laws of any jurisdiction in Canada in which the Corporation is active. Accordingly, the Corporation is not subject to the continuous disclosure obligations of reporting issuers. Therefore, other than the delivery of annual audited financial statements pursuant to corporate law, which investors will receive with their annual reporting package, investors will not receive any financial statements or other disclosures regarding the Corporation and its mortgage investments, except as required by law. **Except as disclosed herein, we are not required to send you any documents on an annual or ongoing basis.**

Financial or other information relating to the Corporation and provided to you in the future may not by itself be sufficient for you to assess the performance of your investment.

ITEM 10 RESALE RESTRICTIONS

The Class B Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, an Investor may not be able to trade the Class B Shares unless he can comply with an exemption from the prospectus and registration requirements under securities legislation. Class B Shares issued by the Corporation will bear the following, or similar, legend:

"Unless permitted under securities legislation, an Investor cannot trade the Class B Shares before the date that is four (4) months and a day after the date AWM Diversified Mortgage Investment Corporation becomes a reporting issuer in any province or territory."

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

Securities legislation provides an exemption for redemption of Class B Shares. Notwithstanding this exemption, the right of redemption is limited and may not be available. See "Securities Offered – Retraction Rights".

10.1 Manitoba Resale Restrictions

Unless permitted under securities legislation, the Investor must not trade the Class B Shares without the prior written consent of the regulator in Manitoba unless:

(a) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the Class B Shares purchased by the Investor and the regulator in Manitoba has issued a receipt for that prospectus; or

(b) the Investor has held the Class B Shares for at least twelve (12) months.

The regulator in Manitoba will consent to the trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

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.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Corporation by midnight on the 2nd business day after you sign the Subscription Agreement.

11.2 Statutory Rights of Action in the Event of a Misrepresentation for Residents of Alberta and British Columbia

If there is a misrepresentation in this Offering Memorandum and you are resident in Alberta or British Columbia, you have a statutory right to sue:

(a) the Corporation to cancel your agreement to buy these securities; or

(b) for damages against the Corporation, every director of the Corporation at the date of this Offering Memorandum and every person or company 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 defences available to the persons or companies that you have the right to sue. In particular, they have a defence 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 the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of:

(a) 180 days after you first had knowledge of the facts giving rise to the cause of action; or

(b) three years after the date of the transaction that gave rise to the cause of action.

11.3 Statutory Rights of Action in the Event of a Misrepresentation for Residents of Saskatchewan

If there is a misrepresentation in this Offering Memorandum or any advertising or sales literature used in connection with this Offering Memorandum and you are resident in Saskatchewan, you have a statutory right to sue:

(a) the Corporation to cancel your agreement to buy these securities; or

(b) for damages against the Corporation, every director and promoter of the Corporation, every person or company whose consent has been filed with this Offering Memorandum (but only with respect to statements made by them), every person who signed this Offering Memorandum and every person who or company that sells securities on behalf of the Corporation.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the Corporation and to the other parties you might have the right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Also, the amount recoverable will not exceed the price at which the securities were offered under this Offering Memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

In addition, you have a statutory right to sue any person or company who made verbal representations relating to the Corporation or the securities that contained a misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of:

(a) one year after you first have knowledge of the facts given rise to the cause of action; or

(b) six years after the date of the transaction that gave rise to the cause of the action.

11.4 Statutory Rights of Action in the Event of a Misrepresentation for Residents of Manitoba

If there is a misrepresentation in this Offering Memorandum and you are resident in Manitoba, you have a statutory right to sue:

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

(b) for damages against the Corporation, every director of the Corporation at the date of this Offering Memorandum and every person or company 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 defences available to the persons or companies that you have the right to sue. In particular, they have a defence 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 the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of:

(a) 180 days after you first had knowledge of the facts giving rise to the cause of action; or

(b) two years after the date of the transaction that gave rise to the cause of action.

ITEM 12 FINANCIAL STATEMENTS

Attached to this Offering Memorandum as Schedule “A” are the Audited Annual Financial Statements for the year ended March 31, 2014 and Audited Annual Financial Statements for the year ended March 31, 2015.

ITEM 13 CERTIFICATE

Dated this 30th day of June, 2015.

This Offering Memorandum does not contain a misrepresentation.

AMW DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Signed "George Botros"
George Botros
President and Director

Signed "Charles McKitrick"
Charles McKitrick
Vice President and Director

On behalf of the Board of Directors

Signed "Jared Morrison"
Jared Morrison
Director

By Its Promoter

ALTA WEST MORTGAGE CAPITAL CORPORATION

Per: *Signed "Charles McKitrick"*
Charles McKitrick

SCHEDULE "A"

ANNUAL FINANCIALS
FOR THE YEAR ENDED MARCH 31, 2014
(AUDITED)

ANNUAL FINANCIALS
FOR THE YEAR ENDED MARCH 31, 2015
(AUDITED)

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Financial Statements

Year Ended March 31, 2014

CZECHOWSKY, GRAHAM & HANEVELT
CHARTERED ACCOUNTANTS
• AN ASSOCIATION OF PROFESSIONAL PRACTICES •

STEVE L. CZECHOWSKY *
LOUIS A. GRAHAM *
DIANA HANEVELT*
* DENOTES PROFESSIONAL COPORATION

400, 1121 CENTRE STREET NORTH
CALGARY, ALBERTA T2E 7K6

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AWM Diversified Mortgage Investment Corporation

I have audited the accompanying financial statements of AWM Diversified Mortgage Investment Corporation, which comprise the balance sheet as at March 31, 2014 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 Canadian generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

(continues)

Independent Auditor's Report to the Shareholders of AWM Diversified Mortgage Investment Corporation *(continued)*

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of AWM Diversified Mortgage Investment Corporation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
May 23, 2014

CHARTERED ACCOUNTANT

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Balance Sheet

March 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	**$ 53,603**	$ 9,917
Accounts receivable	**53,840**	12,261
Mortgages receivable *(Note 4)*	**7,378,876**	3,776,555
Interest receivable	**98,570**	51,319
Assistive Financial *(Note 5)*	**-**	200,000
Assets taken in settlement of debt *(Note 4)*	**-**	31,254
	7,584,889	4,081,306
DUE FROM RELATED PARTIES *(Note 7)*	**-**	149,785
	$ 7,584,889	$ 4,231,091
LIABILITIES		
CURRENT		
Accounts payable	**$ 15,611**	$ 7,799
Due to related parties *(Note 7)*	**325,907**	34,300
Promissory note payable *(Note 6)*	**1,250,000**	-
	1,591,518	42,099
SHAREHOLDERS' EQUITY		
SHARE CAPITAL *(Note 8)*	**5,969,075**	4,128,395
RETAINED EARNINGS	**24,296**	60,597
	5,993,371	4,188,992
	$ 7,584,889	$ 4,231,091

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Statement of Income and Retained Earnings

Year Ended March 31, 2014

	2014	2013
INTEREST INCOME		
Interest income	**$ 744,129**	$ 491,976
Assistive Financial interest income	**12,675**	34,579
	756,804	526,555
EXPENSES		
Commissions	**-**	8,431
Interest and bank charges	**76,045**	7,349
Loan losses (recoveries) *(Note 4)*	**174,506**	59,837
Management fees *(Note 7)*	**94,865**	104,265
Office	**1,189**	1,673
Professional fees	**22,622**	22,426
Advertising and promotion	**1,838**	1,413
	371,065	205,394
NET INCOME	**385,739**	321,161
RETAINED EARNINGS - BEGINNING OF YEAR	**60,597**	50,584
	446,336	371,745
DIVIDENDS PAID	**(422,040)**	(311,148)
RETAINED EARNINGS - END OF YEAR	**$ 24,296**	$ 60,597

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Net income	**$ 385,739**	$ 321,161
Items not affecting cash:		
Bad debts	**174,506**	59,837
Share issuance costs associated with redeemed shares	**10,018**	8,806
	570,263	389,804
Changes in non-cash working capital:		
Accounts receivable	**(41,579)**	(422)
Interest receivable	**(47,251)**	(12,389)
Accounts payable	**7,814**	800
	(81,016)	(12,011)
Cash flow from operating activities	**489,247**	377,793
INVESTING ACTIVITY		
Mortgages receivable	**(3,545,573)**	(988,352)
FINANCING ACTIVITIES		
Cash dividends paid	**(133,069)**	(96,413)
Advances from (to) related parties	**441,391**	(150,061)
Issuance of Class B shares for cash	**1,997,312**	1,196,129
Redemption of Class B shares for cash	**(432,232)**	(332,114)
Issuance of Class A shares for cash	**-**	6
Share issuance costs paid	**(23,390)**	(12,486)
Promissory note payable	**1,250,000**	-
Cash flow from financing activities	**3,100,012**	605,061
INCREASE (DECREASE) IN CASH FLOW	**43,686**	(5,498)
Cash - beginning of year	**9,917**	15,415
CASH - END OF YEAR	**$ 53,603**	$ 9,917
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	**$ 68,233**	$ 7,350

1. DESCRIPTION OF BUSINESS

The business is incorporated under the Alberta Business Corporations Act. The Company invests in mortgages in Canada and is a Mortgage Investment Corporation as defined by Section 130.1 of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian generally accepted accounting principles (GAAP). Canadian generally accepted accounting principles are part of Canadian GAAP. As a Mortgage Investment Corporation (as defined in the Income Tax Act), taxable dividends paid by the Corporation during the year or within ninety days following the year-end are deductible for income tax purposes.

Cash equivalents

Highly liquid investments with maturities of 90 days or less at date of purchase are considered to be cash equivalents.

Mortgages receivable

Mortgages receivable are carried net of the allowance for mortgage losses.

Interest income is accrued as earned until such time as the mortgage is recognized as impaired. At that time interest ceases to accrue and all previously accrued interest is reversed.

A mortgage is recognized as being impaired when the Company is no longer reasonably assured of the timely collection of the full amount of principal and interest. As a matter of practice, a mortgage is deemed to be impaired at the earlier of the date it has been specifically provided for or has been in arrears for 90 days

When mortgages are classified as impaired, the book value of these mortgages is brought back to their estimated realizable value based on the fair value of any security underlying the mortgage, net of any costs of realization, by totally or partially writing off the mortgage and/or establishing an allowance for mortgage losses.

An impaired mortgage cannot return to an accrual status unless all principal and interest payments are up to date and management is reasonably assured as to the recoverability of the mortgage.

(continues)

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

Impaired loans and allowance for loan impairment

The Company maintains an allowance for loan impairment, which reduces the carrying value of these loans to their estimated realizable amounts. The carrying amount of these loans is measured by discounting the expected future cash flows at the effective interest rate inherent in the loans. The amount initially recognized as an impaired loan together with any subsequent change is included in the allowance as an adjustment.

The allowance is increased by provisions for losses, which are charged against income, and reduced by write-offs, net of recoveries. Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further collection is considered to be remote.

In management's judgment, no abnormal credit risk exists and the levels of loan loss provisions are adequate to absorb all expected credit losses in the Company's portfolio, given existing conditions.

Assets taken as settlement of debt

Assets taken as settlement of debt are recorded at the lower of cost and net realizable value. Cost is determined as the value of the loan outstanding at the time the asset was taken in settlement.

Future income taxes

The liability method of tax allocation is used in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FUTURE CHANGES TO ACCOUNTING POLICY

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public compliance will converge with International Financial Reporting Standards (“IFRS”) on January 1, 2011. The adoption of these standards is deferred until January 1, 2014 for those entities that qualify as Investment Companies. Therefore, the Company's annual financial statements will be prepared in accordance with IFRS for the fiscal year commencing April 1, 2014 and will include IFRS comparative information for the prior year.

The quantitative impact of the transition to IFRS on the Company's financial statements for current standards has not yet been determined. The company continues to monitor the International Accounting Standards Board's proposed changes to standards during Canada's transition to IFRS. These proposed changes may have a significant impact on the Company's implementation plan and future financial statements.

4. MORTGAGES RECEIVABLE

Mortgages are secured by real property, and bear interest at fixed rates primarily from 7.00% to 20.24%. The majority of the mortgages are due within one year with monthly blended payments.

	2014	2013
Mortgages receivable	**$ 7,426,368**	$ 3,864,853
Provision for loan losses	**(47,492)**	(88,298)
Mortgages receivable within one year	**$ 7,378,876**	$ 3,776,555

Assets with a net book value of $nil (2013 - $31,254) have been classified as assets taken in settlement of debt.

	2014	2013
Impaired loans are as follows:		
Impaired mortgages receivable	**$ 645,578**	$ 151,903

	2014	2013
Loan losses reconciliation		
Provision for loan losses	**$ -**	$ 60,629
Losses realized during the year	**200,000**	-
Recoveries realized during the year	**(25,494)**	(792)
Loan losses for the year	**$ 174,506**	$ 59,837

5. ASSISTIVE FINANCIAL

	2014	2013
Assistive Financial	$ -	$ 200,000
Amounts receivable within one year	-	(200,000)
	$ -	$ -

The Company holds two 16% subordinated, unsecured debentures with Assistive Financial ("Assistive") for $100,000 each. The debentures mature on September 14, 2013 and February 1, 2014. During the year, the investment was written off, as Assistive is no longer financially viable.

6. PROMISSORY NOTE PAYABLE

The promissory note payable bears interest at 7.5% per annum, payable monthly, and is due on demand. The unpaid balance is limited to a maximum of $2 million. The note is secured by the general security agreement made by the Company in favour of the note holders.

7. DUE TO RELATED PARTIES

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Pursuant to the management contract dated January 2, 2007 between AWM Diversified Investment Corporation and Alta West Mortgage Capital Corporation (the Manager) the administration fee payable to the Manager will be calculated as follows:

The Manager will receive a fee from the Corporation equal to 2.0% of the average net assets of the Corporation to be dispersed to the Manager on a monthly basis.

The Manager may charge broker's fees, lender fees, commitment fees, extension fees, renewal fees, NSF fees, administration fees and similar fees to borrowers with respect to any mortgage loan, all of which fees are the sole property of the Manager.

The Manager is also entitled to receive a foreclosure administration fee for each foreclosure proceeding initiated against a property for which a mortgage has been granted.

During the year, the Company paid $13,456 (2013 - $6,653) in interest to AWM Balanced Mortgage Investment Corporation.

	2014	2013
Long term portion due from related parties		
AWM Balanced Mortgage Investment Corporation	$ -	$ 149,704
Alta West BC Trust	-	81
	$ -	$ 149,785

(continues)

7. DUE TO RELATED PARTIES *(continued)*

		2014		2013
Current portion due to related parties				
AltaWest Mortgage Capital Corporation	**$**	**10,537**	$	34,039
AWM Balanced Mortgage Investment Corporation		**315,370**		-
Progress Asset Management LP		**-**		261
	$	**325,907**	$	34,300

The Company is under common management with AWM Balanced Mortgage Investment Corporation and Progress Asset management LP.

8. SHARE CAPITAL

Authorized:

Unlimited Class "A" Voting shares

Unlimited Class "B" Non-voting shares

			2014		2013
Issued:					
32,560	Class A shares	**$**	**326**	$	326
42,020	Class B shares		**6,056,128**		4,202,076
-	Share issuance costs		**(87,379)**		(74,007)
		$	**5,969,075**	$	4,128,395

	2014			2013		
	Shares		**Amount**	Shares		Amount
Class A						
Shares outstanding at the beginning of the year	**32,560**	**$**	**326**	32,000	$	320
Issued	**-**		**-**	560		6
Shares outstanding at the end of the year	**32,560**	**$**	**326**	32,560	$	326
Class B						
Shares outstanding at the beginning of the year	**42,020**	**$**	**4,202,076**	31,233	$	3,123,326
Issued	**19,973**		**1,997,312**	11,961		1,196,130
Share dividends	**2,890**		**288,971**	2,147		214,735
Redeemed	**(4,322)**		**(432,231)**	(3,321)		(332,115)
Shares outstanding at the end of the year	**60,561**	**$**	**6,056,128**	42,020	$	4,202,076

9. FINANCIAL INSTRUMENTS

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from customers. In order to reduce its credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Company has a significant number of customers which minimizes concentration of credit risk.

Fair value

The Company's carrying value of cash and cash equivalents, bank indebtedness, accounts receivable and accrued interest receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The fair values of the mortgages receivable are determined by discounting future cash flows in accordance with existing financing arrangements, based on the market interest rates at the year end date with similar terms, conditions and maturity dates. At the year end date, the fair values of these mortgages approximates their carrying values.

The fair value of the short term investment in Assistive Financial approximates its fair value as the terms and interest rates are similar to those offered to the company for similar instruments.

The fair value of the amounts due to and from Alta West Mortgage Capital Corporation are less than carrying value, as the amounts are non-interest bearing. As the amounts have no terms of repayment, the fair value cannot be calculated with any degree of certainty.

The fair value of the amounts due to First Place Mortgage Investment Corporation, Progress Asset Management LP and AWM Balanced Mortgage Investment Corporation approximate their fair values as the terms and interest rates are similar to those offered to the company for similar instruments.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company is not exposed to foreign currency exchange risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. Interest rate risk on the mortgage portfolio arises from the possibility that at the end of a mortgage's term it will be re-priced to a prevailing interest rate lower than the original one.

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Financial Statements

Year Ended March 31, 2015

CZECHOWSKY, GRAHAM & HANEVELT
CHARTERED ACCOUNTANTS
• AN ASSOCIATION OF PROFESSIONAL PRACTICES •

STEVE L. CZECHOWSKY *
LOUIS A. GRAHAM *
DIANA HANEVELT*
* DENOTES PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AWM Diversified Mortgage Investment Corporation

I have audited the accompanying financial statements of AWM Diversified Mortgage Investment Corporation, which comprise the balance sheets as at March 31, 2015, March 31, 2014 and April 1, 2013, and the statements of income and comprehensive income, changes in equity and cash flow for the years ended March 31, 2015 and March 31, 2014, 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 the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants, 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

(continues)

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of AWM Diversified Mortgage Investment Corporation as at March 31, 2015, March 31, 2014 and April 1, 2013, and its financial performance and its cash flow for the years ended March 31, 2015 and March 31, 2014 in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants, International Financial Reporting Standards.

Calgary, Alberta
June 29, 2015

"signed by Lou Graham"
CHARTERED ACCOUNTANT

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Balance Sheet

March 31, 2015

	March 31 2015	*March 31* 2014	*April 1* 2013
ASSETS			
CURRENT			
Cash and cash equivalents	**$ 132,895**	$ 53,603	$ 9,917
Prepaid expenses *(Note 5)*	**46,815**	53,840	12,261
Mortgages receivable *(Note 7)*	**20,764,899**	7,378,876	3,776,555
Interest receivable	**255,394**	98,570	51,319
Due from related parties *(Note 8)*	**-**	-	149,785
Assistive Financial	**-**	-	200,000
Assets taken in settlement of debt *(Note 7)*	**-**	-	31,254
	$ 21,200,003	$ 7,584,889	$ 4,231,091
LIABILITIES			
CURRENT			
Accounts payable	**$ 34,040**	$ 15,611	$ 7,799
Due to related parties *(Note 8)*	**6,004,851**	325,907	34,300
Promissory note payable *(Note 10)*	**1,000,000**	1,250,000	-
	7,038,891	1,591,518	42,099
SHAREHOLDERS' EQUITY			
SHARE CAPITAL *(Note 11)*	**13,937,987**	5,969,075	4,128,395
RETAINED EARNINGS	**223,125**	24,296	60,597
	14,161,112	5,993,371	4,188,992
	$ 21,200,003	$ 7,584,889	$ 4,231,091

APPROVED BY THE DIRECTORS

_______________ *Director*

George Botros

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Statement of Income and Comprehensive Income

Year Ended March 31, 2015

	2015	2014
INTEREST INCOME		
Interest income	$ 2,067,934	$ 786,095
Assistive Financial interest income	-	12,675
	2,067,934	798,770
EXPENSES		
Advertising and promotion *(Note 9)*	5,920	1,838
Interest and bank charges *(Note 9)*	356,528	76,045
Management fees *(Note 9)*	207,156	94,865
Office *(Note 9)*	19,813	1,189
Professional fees	55,290	22,622
Loan losses *(Note 7)*	317,876	174,506
Losses on delinquent interest	49,227	41,966
	1,011,810	413,031
NET INCOME	1,056,124	385,739
COMPREHENSIVE INCOME FOR THE YEAR	$ 1,056,124	$ 385,739
BASIC AND DILUTED EARNINGS PER SHARE *(Note 12)*		
Basic	$ 2.259	$ (0.413)

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Statement of Changes in Equity

Year Ended March 31, 2015

	Share capital	Retained Earnings	**Total equity**
Balance at April 1, 2013	$ 4,128,395	$ 60,597	**$ 4,188,992**
Comprehensive income (loss)	-	385,739	**385,739**
Dividends	-	(422,040)	**(422,040)**
Shares issued	2,286,284	-	**2,286,284**
Shares redeemed	(432,232)	-	**(432,232)**
Share issuance costs	(13,372)	-	**(13,372)**
Balance at March 31, 2014	5,969,075	24,296	**5,993,371**
Comprehensive income (loss)	-	1,056,124	**1,056,124**
Dividends	-	(857,295)	**(857,295)**
Shares issued	8,169,212	-	**8,169,212**
Shares redeemed	(182,003)	-	**(182,003)**
Share issuance costs	(18,297)	-	**(18,297)**
Balance at March 31, 2015	$ 13,937,987	$ 223,125	**$ 14,161,112**

AWM DIVERSIFIED MORTGAGE INVESTMENT CORPORATION

Statement of Cash Flow

Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Net income	$ 1,056,124	$ 385,739
Items not affecting cash:		
Loan losses	317,876	174,506
Share issuance costs associated with redeemed shares	3,274	10,018
	1,377,274	570,263
Changes in non-cash working capital:		
Prepaid expenses	7,025	(41,579)
Interest receivable	(156,824)	(47,251)
Accounts payable	18,430	7,814
	(131,369)	(81,016)
Cash flow from operating activities	1,245,905	489,247
INVESTING ACTIVITY		
Mortgages receivable	(11,469,041)	(3,545,573)
FINANCING ACTIVITIES		
Cash dividends paid	(238,968)	(133,069)
Advances from related parties	5,678,944	441,391
Issuance of Class B shares for cash	5,434,191	1,997,312
Redemption of Class B shares for cash	(182,003)	(432,232)
Share issuance costs paid	(21,572)	(23,390)
Promissory note payable	(250,000)	1,250,000
Cash paid on promissory note payout	(118,164)	-
Cash flow from financing activities	10,302,428	3,100,012
INCREASE IN CASH FLOW	79,292	43,686
Cash and cash equivalents - beginning of year	53,603	9,917
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 132,895	$ 53,603
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	$ 356,526	$ 68,233

1. DESCRIPTION OF BUSINESS

The business is incorporated under the Alberta Business Corporations Act. The Company invests in mortgages in Canada and is a Mortgage Investment Corporation as defined by Section 130.1 of the Income Tax Act (Canada).

2. BASIS OF PRESENTATION

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

The Company's accounting policies under IFRS are presented in note 3. These policies have been retrospectively and consistently applied except where specific exemptions permitted an alternative treatment upon transition to IFRS in accordance with IFRS 1. The Company has early adopted IFRS 9 which has an effective date of January 1, 2018.

These financial statements are prepared in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants.

Basis of measurement

The financial statements have been prepared on a going concern basis. The Company's financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash equivalents

Highly liquid investments with maturities of 90 days or less at date of purchase are considered to be cash equivalents.

Financial instruments policy

The Company aggregates its financial instruments into classes based on their nature and characteristics. Management determines the classification when the instruments are initially recognized, which is normally on the date of purchase.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables and loans and borrowings. Non-derivative financial instruments are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

(continues)

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

(a) Trade and other receivables

Trade and other receivables, including accrued interest receivable, are recognized and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortized cost. Allowance is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(b) Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has designated cash and cash equivalents at fair value.

(c) Other

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value plus transaction costs. Subsequently, loans and receivables are measured at amortized cost using the effective interest method, less any appropriate allowance for doubtful receivables. They are included in current assets when they will be realized within 12 months of the reporting date, otherwise they are classified as non-current. This item includes due from related parties.

Other liabilities are initially recognized at fair value less transaction costs. Subsequent to initial measurement, these other liabilities are measured at amortized cost. They are classified as current liabilities when they are payable within 12 months of the reporting date, otherwise they are classified as non-current. This item includes accounts payable and accrued liabilities, promissory note payable and due to related parties.

(d) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(continues)

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

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognized in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the income statement.

Mortgages receivable

Mortgages receivable are carried net of the allowance for mortgage losses. All mortgages have been measured at amortized cost, using the effective interest rate method.

A mortgage is recognized as being impaired when the Company is no longer reasonable assured of the timely collection of the full amount of principal and interest. As a matter of practice, a mortgage is deemed to be impaired at the earlier of the date it has been specifically provided for or has been in arrears for 90 days.

When mortgages are considered to be impaired, and the collection of principal and interest is no longer reasonably assured, the fair value of the mortgage is reduced to reflect the estimated fair value from the collateral securing the mortgage loan.

Gains or losses on disposal or repayment transactions are recorded as realized gains or losses at he time of disposal or repayment, respectively.

An impaired mortgage cannot return to an accrual status unless all principal and interest payments are up to date and management is reasonably assured as to the recoverability of the mortgage.

Assets taken as settlement of debt

Assets taken as settlement of debt are recorded at the lower of cost and net realizable value. Cost is determined as the value of the loan outstanding at the time the asset was taken in settlement.

Revenue recognition

Interest income on loans is recorded by the accrual method except when a loan is identified as impaired. When a loan is identified as impaired, interest revenue continues to be recorded and a loss on the loan, including interest, is provided for in the financial statements.

(continues)

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

Segmented reporting

The Company operates in a single reportable operating segment.

Provisions

Provisions comprise liabilities of uncertain timing or amount that arise from restructuring plans, environmental, litigation and other risks. Provisions are recognized when a legal or constructive obligation stemming from a past event exists and when the future cash outflows can be reliably estimated. The expense relating to any provision is presented in the income statement net of any reimbursement.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, if any.

Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

(a) The most significant estimates that the company is required to make relate to the fair value and impairment of their financial instruments. These estimates may include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation or regulation, prior encumbrances and other factors affecting the investments and underlying security of the investments. These assumptions are limited by the availability of reliable comparable data, economic uncertainty and the uncertainty of predictions concerning future events. Accordingly, by their nature, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

(b) The allowance for doubtful receivables represents Management's estimates of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on the ageing of customer balances, specific credit circumstances and the company's historical bad debt experience.

(continues)

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

(c) Tax interpretations, regulations and legislation are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

4. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

During the year the company adopted international financial reporting standards. These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively.

The adoption of IFRS resulted in the recognition of additional accrued interest receivable on delinquent and impaired accounts and recognition of an allowance for the same amount for each balance sheet date. In addition, the same amounts were recognized as interest revenue and a corresponding provision for loss is recognized on the Statement of "Income/Loss". There is no impact on opening on retained earnings/deficit as at April 1, 2013.

	March 31, 2015	March 31, 2014	April 1, 2013
Accrued Interest on Delinquent Mortgages	**$ 177,611**	$ 128,384	$ 86,418
Allowance for Interest on Delinquent Mortgages	**177,611**	128,384	86,418
Interest Income on Delinquent Mortgages	**49,227**	41,966	86,418
Loan losses on Delinquent Mortgages	**49,227**	41,966	86,418

5. PREPAID EXPENSES

Prepaid expenses consists of foreclosure costs expected to be recovered upon the sale of the underlying property.

6. BUSINESS COMBINATION

On April 15, 2014 the Corporation acquired the assets of Toro Financial Corp. for $2.535,022. The assets acquired consisted of mortgages receivable which were purchased at fair market value as at April 15, 2014 and all mortgages were considered collectible at that time.

The assets were acquired through the issuance of a promissory note for $2,535,022. The promissory note provided for conversion of the note into cash or into Class B shares of the Corporation. The promissory note was extinguished with the conversion of 27,557 Class B shares and cash paid of $118,164 between June 11, 2014 and August 31, 2014.

7. MORTGAGES RECEIVABLE

	March 31, 2015	March 31, 2014	April 1, 2013
Mortgages receivable			
Mortgages	$ 21,090,617	$ 7,426,368	$ 3,864,853
Provision for loan losses	(325,718)	(47,492)	(88,298)
Mortgages receivable within one year	$ 20,764,899	$ 7,378,876	$ 3,776,555
Impaired loans			
Impaired mortgages receivable	$ 971,136	$ 645,578	$ 151,903
Loan losses reconciliation			
Provision for loan losses	$ 307,290	$ -	$ 60,629
Losses realized during the year	16,718	200,000	-
Recoveries realized during the year	(6,132)	(25,494)	(792)
Loan loss expense	$ 317,876	$ 174,506	$ 59,837

Assets with a net book value of $nil (2014 - $nil, April 1, 2013 - $31,254) have been classified as assets taken in settlement of debt.

8. RELATED PARTY BALANCES

Due from related parties	March 31, 2015	March 31, 2014	April 1, 2013
AWM Balanced Mortgage Investment Corporation	$ -	$ -	$ 149,704
Alta West BC Trust	-	-	81
	-	-	149,785

Due to related parties	March 31, 2015	March 31, 2014	April 1, 2013
Alta West Mortgage Capital Corporation	$ 23,066	$ 10,537	$ 32,294
AWM Balanced Mortgage Investment Corporation	5,979,479	315,370	-
Alta West Trust	2,306	-	1,745
Progress Asset Management LP	-	-	261
	$ 6,004,851	$ 325,907	$ 34,300

9. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions:

Pursuant to the management contract dated January 2, 2007 between AWM Diversified Investment Corporation and Alta West Mortgage Capital Corporation (the Manager) the administration fee payable to the Manager will be calculated as follows:

The Manager will receive a fee from the Corporation equal to 2.0% of the average net assets of the Corporation to be dispersed to the Manager on a monthly basis.

The Manager may charge broker's fees, lender fees, commitment fees, extension fees, renewal fees, NSF fees, administration fees and similar fees to borrowers with respect to any mortgage loan, all of which fees are the sole property of the Manager.

The Manager is also entitled to receive a foreclosure administration fee for each foreclosure proceeding initiated against a property for which a mortgage has been granted.

	2015	2014
Alta West Mortgage Capital Corporation		
(controlled by director)		
Management fees	$ 207,156	$ 94,865
Allocation of advertising costs	5,092	423
Allocation of securities fees included in office	7,085	-
	$ 219,333	$ 95,288
AWM Balanced Mortgage Investment Corporation		
(common share management)		
Interest expense	$ 249,302	$ 13,456

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. PROMISSORY NOTE PAYABLE

The promissory note payable bears interest at 7.5% per annum, payable monthly, and is due on demand. The unpaid balance is limited to a maximum of $3 million. The note is secured by the general security agreement made by the Company in favour of the note holders.

11. SHARE CAPITAL

Authorized:

Unlimited	Class "A" Voting shares
Unlimited	Class "B" Non-voting shares

Issued:		2015	2014
88,000	Class A common shares	$ 326	$ 326
140,433	Class B preferred shares	14,043,338	6,056,128
-	Share issuance costs	(105,677)	(87,379)
		$ 13,937,987	$ 5,969,075

	2015		2014	
	Shares	Amount	Shares	Amount
Class A Common				
Shares outstanding at the beginning of the year	88,000	$ 326	88,000	$ 326
Shares outstanding at the end of the year	88,000	$ 326	88,000	$ 326
Class B Preferred				
Shares outstanding at the beginning of the year	60,561	$ 6,056,128	42,020	$ 4,202,076
Issued	47,925	4,792,452	19,973	1,997,312
Issued upon asset purchase	27,584	2,758,433	-	-
Share dividends	6,183	618,328	2,890	288,971
Redeemed	(1,820)	(182,003)	(4,322)	(432,231)
Shares outstanding at the end of the year	140,433	$ 14,043,338	60,561	$ 6,056,128

Shares issued upon asset purchase consists of $2,234,858 converted from a promissory note payable and $523,575 received in cash.

12. EARNINGS PER SHARE

	2015	2014
Net income (loss)	$ 1,056,124	$ 385,739
Dividends paid to preferred shareholders	(857,295)	(422,040)
Net income (loss) attributable to common shareholders	$ 198,829	$ (36,301)
Weighted average common shares outstanding	88,000	88,000
Basic and diluted earnings per share	$ 2.259	$ (0.413)

13. DETERMINATION OF FAIR VALUES

The carrying value of cash and cash equivalents, accrued interest receivable, due from related parties, due to related parties and accounts payable included in the balance sheet approximate fair value due to the short term nature of these instruments. These assets and liabilities with the exception of cash and cash equivalents and operating loan are not included in the following tables.

The following tables provide fair value measurement information for financial assets and liabilities as of March 31, 2015:

	Carrying Amount	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Information (Level 3)
March 31, 2015					
Financial Assets					
Cash and cash equivalents	$ 132,895	$ 132,895	$ 132,895	$ -	$ -
Mortgages receivable	20,764,899	20,764,899	-	-	20,764,899
Financial liabilities					
Promissory note payable	$ 1,000,000	$ 1,000,000	$ -	$ -	$ 1,000,000
March 31, 2014					
Financial Assets					
Cash and cash equivalents	$ 53,603	$ 53,603	$ 53,603	$ -	$ -
Mortgages receivable	7,378,876	7,378,876	-	-	7,378,876
Financial liabilities					
Promissory note payable	$ 1,250,000	$ 1,250,000	$ -	$ -	$ 1,250,000
April 1, 2013					
Financial Assets					
Cash and cash equiavlents	$ 9,917	$ 9,917	$ 9,917	$ -	$ -
Mortgages receivable	3,776,555	3,776,555	-	-	3,776,555

13. DETERMINATION OF FAIR VALUES *(continued)*

Level 1 fair value measurements are based on unadjusted quoted market prices.

Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.

Level 3 fair value measurements are based on unobservable information.

The following table shows the movement in Level 3 financial instruments in the fair value hierarchy for the year ended March 31, 2015 and 2014. The Company classifies financial instruments as Level 3 when there is reliance on at least one significant unobservable input in the valuation models. There have been no transfers between categories during the years ended March 31, 2015 and 2014.

	2015	2014
Mortgages Receivable		
Opening balance	$ 7,378,876	$ 3,776,555
Investments	18,758,137	5,527,131
Payment and amortization	(5,372,114)	(1,924,810)
	20,764,899	7,378,876
Promissory Note Payable		
Opening balance	1,250,000	-
Funds advanced	1,250,000	1,250,000
Principal payments	(1,500,000)	-
	1,000,000	1,250,000

14. CAPITAL MANAGEMENT

The company's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, deploy capital to provide an appropriate investment return to its shareholders, and to maintain a strong capital base to support the development of the company's activities. The company defines its capital as follows:

- equity
- cash and cash equivalents

15. FINANCIAL RISK MANAGEMENT

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of March 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from customers. In order to reduce the credit risk, the Company has adopted credit policies which include the analysis of the financial position of its clients and a review of their credit limits. In all cases, the Company has secured their position with a mortgage against real property of the client. The Company regularly reviews its mortgage portfolio for contingent credit losses. They have determined that there were contingent credit losses of $325,718 (2014 - $47,492, April 1, 2013 - $88,298) as disclosed in note 7.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk under normal operating activities by ensuring sufficient cash flow from fees and interest is generated to cover expenses and distributions. Generally the mortgage portfolio has a relatively short maturity.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. Interest rate risk on the mortgage portfolio arises from the possibility that at the end of a mortgage's term it will be re-priced to a prevailing interest rate lower than the original one.

As at March 31, 2015, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, earnings would have increased by approximately $210,906. Similarly, had prevailing interest rates decreased by 1%, assuming a parallel shift in the yield curive, with all other variables held constant, earnings would have increased by $210,906.