

Form 45-106F6

British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

MortEq Lending Corp. (the "Issuer")

Suite 216, 5455 152nd Street

Surrey, B.C. V3S 5A5

Tel: 604.575.7408

E-mail: parmpurewall@phlgroup.ca

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

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

Not applicable.

Item 2: Reporting issuer status

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

The Issuer is not a reporting issuer.

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

Not applicable.

Item 3: Issuer's industry

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

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | Mining |
| Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input checked="" type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Other (describe) |
-

Item 4: Insiders and promoters of non-reporting issuers

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

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

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Parminder Purewall Surrey, Canada	President & Director	1 Common Share 273,629 Preferred Shares	\$273,629

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Steven Ponte Langley, Canada	Corporate Secretary & Director	1 Common Share 291,764 Preferred Shares	\$291,764
Harjit Grewal Surrey, Canada	Director	1 Common Share 1,100,000 Preferred Shares	\$1,100,000
Sunjeev Bath Langley, Canada	Director	1 Common Share 2,427,501 Preferred Shares	\$2,427,501
John Tilstra Langley, Canada	Director	1 Common Share 922,525 Preferred Shares	\$922,525

Details of distribution

Item 5: Distribution date

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

The securities were distributed on June 25, 2016.

Item 6: Number and type of securities

For each security distributed:

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

A total of 12,422,053 Class A Preferred Shares (the “Class A Shares”) were sold at a price of \$1.00 per Class A Share. The Issuer is relying on Section 2.9 of National Instrument 45-106 – *Prospectus and Registration Exemptions* (“NI 45-106”).

Item 7: Geographical information about purchasers

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

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	79	\$1.00	\$12,422,053
Total number of Purchasers	79		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$12,422,053.00

Item 8: Information about purchasers*Instructions*

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

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

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

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

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
0784903 B.C. Ltd. 15355 – 24 Ave Box 228, Unit 800 Surrey, BC V4A 2H9 Contact: Sukhwinder Sanghe 604-240-3485		400,000 Class A Shares	\$400,000	S. 2.9 of NI 45-106	2016-06-25
0924784 B.C. Ltd. 15439 Kilmore Close Surrey, BC V3S 6N9 Contact: James Bannigan 604-574-4164		150,000 Class A Shares	\$150,000	S. 2.9 of NI 45-106	2016-06-25
1036576 BC Ltd. 4215 Valencia Ave North Vancouver, BC V7N 4A7 Contact: Frederic Loeven 604-983-2092		200,000 Class A Shares	\$200,000	S. 2.9 of NI 45-106	2016-06-25
620528 BC Ltd. 3989 Henning Drive Suite 104 Burnaby, BC V5C 6N5 Contact: Terri Schiller 587-538-7014		200,000 Class A Shares	\$200,000	S. 2.9 of NI 45-106	2016-06-25
646737 BC Inc. 35323 Belanger Dr. Abbotsford, BC V3G 1K3 Contact: Martha Kuyer 604-855-7351		25,000 Class A Shares	\$25,000	S. 2.9 of NI 45-106	2016-06-25
Alan Wilson Investments 3823 Henning Dr. Suite 104 Burnaby, BC V5C 6P3 Contact: A. Wilson 604-329-5682		50,000 Class A Shares	\$50,000	S. 2.9 of NI 45-106	2016-06-25
August Holdings Ltd. 8643 Eagle Rd. Mission, BC V2V 4J1 Contact: Constance Westendorf 604-820-9045		200,000 Class A Shares	\$200,000	S. 2.9 of NI 45-106	2016-06-25

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
B. Foster Group Ltd. 26220 – 126 Ave Maple Ridge, BC V2W 1C9 Contact: Brent Foster 604-405-1909		50,000 Class A Shares	\$50,000	S. 2.9 of NI 45-106	2016-06-25
Christopher Gora Law Corporation 1159 West 8 th Ave Vancouver, BC V6H 1C5 Contact: Christopher Gora 604-727-4056		50,000 Class A Shares	\$50,000	S. 2.9 of NI 45-106	2016-06-25
Collaborators In Knowledge Inc. 26 Birchwood Crescent Port Moody, BC V3H 5H7 Contact: Denise Boswell 604-461-0104		100,000 Class A Shares	\$100,000	S. 2.9 of NI 45-106	2016-06-25
D. Foster and Associates (2014) Ltd. 150 Glacier St. Suite 202 Coquitlam, BC V3K 5Z6 Contact: Brent Foster 604-945-7111		50,000 Class A Shares	\$50,000	S. 2.9 of NI 45-106	2016-06-25
Darin Germyn PREC 11864 – 84 th Avenue Delta, BC V4C 2M5 Contact: Darin Germyn 604-374-6145		50,000 Class A Shares	\$50,000	S. 2.9 of NI 45-106	2016-06-25
Dr. Akash Villing Inc. 13737 – 72 nd Ave #215 Surrey, BC V3W 2P2 Contact: Akash Villing 206-778-3448		10,000 Class A Shares	\$10,000	S. 2.9 of NI 45-106	2016-06-25
Fored BC Society 4438 West 10 th Ave Suite 213 Vancouver, BC V6R 4R8 Contact: Bart Zych 778-588-7517		100,000 Class A Shares	\$100,000	S. 2.9 of NI 45-106	2016-06-25
G & D Joint Ventures 3570 Godwin Ave Burnaby, BC V5G 4N1 Contact: Gordon Berndt 604-299-6704		750,000 Class A Shares	\$750,000	S. 2.9 of NI 45-106	2016-06-25

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Grelish Homes Inc. 3238 – 143 St Surrey, BC V4P 3M3 Contact: Leigh Grelish 604-542-9703		600,000 Class A Shares	\$600,000	S. 2.9 of NI 45-106	2016-06-25
Gritten Holdings Ltd. 4763 Woodgreen Drive West Vancouver, BC V7S 2Z9 Contact: Robert Gritten 604-220-3495		1,000,000 Class A Shares	\$1,000,000	S. 2.9 of NI 45-106	2016-06-25
Janel Enterprises Ltd. 1725 – 128 St #404 Surrey, BC V4A 3V2 Contact: Janet Herbert 604-541-9121		250,000 Class A Shares	\$250,000	S. 2.9 of NI 45-106	2016-06-25
Korite T5 Properties Limited Partnership 4763 Woodgreen Drive West Vancouver, BC V7S 2Z9 Contact: Robert Gritten 604-220-3495		100,000 Class A Shares	\$100,000	S. 2.9 of NI 45-106	2016-06-25
L. Green Investments Inc. 8085 North Fraser Way Unit 400 Burnaby, BC V5J 5M8 Contact: Lawrence Green 604-328-9627		100,000 Class A Shares	\$100,000	S. 2.9 of NI 45-106	2016-06-25
Nicole Moore Holdings Inc. 3989 Henning Drive Unit 104 Burnaby, BC V5C 6P8 Contact: Nicole Moore 778-887-5087		25,000 Class A Shares	\$25,000	S. 2.9 of NI 45-106	2016-06-25
Oxford Gorge Management Ltd. 5358 Kew Cliff Rd West Vancouver, BC V7W 1M2 Contact: Stefanie Denfeld 604-780-0717		750,000 Class A Shares	\$750,000	S. 2.9 of NI 45-106	2016-06-25

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Pacific Northwest Dental Group Ltd. 13737 – 72 nd Ave Unit 215 Surrey, BC V3S 2P2 Contact: Akashdeep Villing 604-589-0490		10,000 Class A Shares	\$10,000	S. 2.9 of NI 45-106	2016-06-25
Pacific Property Management Ltd. 5704 Balsam St Unit 202 Vancouver, BC V6M 4B9 Contact: Allan Landa 604-732-1425		100,000 Class A Shares	\$100,000	S. 2.9 of NI 45-106	2016-06-25
RJ Hayek Ent. Ltd. 4449 Atlee Ave Burnaby, BC V5G 3R7 Contact: Ron Hayek 604-818-6602		3,000,000 Class A Shares	\$3,000,000	S. 2.9 of NI 45-106	2016-06-25
Smart Start Enterprises Ltd. 6667 Cheshire Court Burnaby, BC V5E 4J2 Contact: Sid Hayek 604-517-1715		1,500,000 Class A Shares	\$1,500,000	S. 2.9 of NI 45-106	2016-06-25
Total:		9,820,000 Class A Shares	\$9,820,000.00		

Commissions and finder's fees – NOT APPLICABLE

Item 9: Commissions and finder's fees

Instructions

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

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

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

Certificate

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

Date: July 5, 2016

MortEq Lending Corp.

Name of issuer (please print)

Parminder Purewall, President & Director, 604-575-7408

Print name, title and telephone number of person signing

"Parminder Purewall"

Signature

Instruction

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

Item 10: Contact information

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

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

Notice - Collection and use of personal information

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

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: 604.899.6500
Toll free across Canada: 1.800.373.6393
Facsimile: 604.899.6581