

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.

Area One Farms Limited Partnership III/IIIB
501-1670 Bayview Avenue.
Toronto, Ontario Canada M4G 3C2
416-583-5872
Areaonefarms.ca

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

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

Item 2: Reporting issuer status

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

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.

Item 3: Issuer's industry

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

☐ Bio-tech

Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ securitized products issuers

☐ Forestry

☐ Hi-tech

☐ Industrial

Mining

☐ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☒ Other (describe)

Farms/Agricultural production

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 \$)
Joelle Faulkner, Ontario, Canada ⁽¹⁾	Director, Officer, sole shareholder	1 share held in Area One Fund III GP Ltd.	\$100.00
Benjamin Faulkner, Ontario, Canada ⁽¹⁾	Director, Officer		

Notes:

- (1) Joelle Faulkner is the sole shareholder of the general partner (Area One Fund III GP Ltd.) of Area One Farms Limited Partnership III/IIIB.

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.

December 31, 2015

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.

Limited Partnership Units

Item 7: Geographical information about purchasers

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

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	2	\$25	\$200,000
Quebec	1	\$25	\$1,000,000
Ontario	39	Lowest: \$1 Highest: \$25	\$16,924,181
Alberta	5	\$25	\$775,000
United States	2	Lowest: \$21.19 Highest: \$25	\$902,844
British Virgin Islands	1	\$25	\$2,000,000
United Kingdom	1	\$25	\$176,065
Total number of Purchasers	51		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$21,978,090

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

Item 8: Information about purchasers*Instructions*

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

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

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

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

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

Information about non-individual purchasers

Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Mary Lake Polan Grandchildren's Trust The Essex House #4002. 160 Central Park South. New York, NY 10019 USA (650) 520-5280		9986 Limited Partnership Units	\$249650	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Tenga Capital Corporation 181 University Ave., Suite 2100 Toronto, Ontario M5H 3M7 Canada (203) 900-1311		40000 Limited Partnership Units	\$1000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Push 2 Buy Holdings Inc. Craigmuir Chambers, P.O. Box 7, Road Town, Tortola VG1110 British Virgin Islands (416) 357-0013		80000 Limited Partnership Units	\$2000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Area One Farms Ltd 501- 1670 Bayview Ave Toronto, Ontario M4G3C2 Canada (416) 583-5873		22835 Limited Partnership Units	\$85536	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Your Niece Inc. 10 Director Crt., Unit 302 Vaughn, ON L4L 3Z5 Canada (905) 265-2612		34361 Limited Partnership Units	\$704260	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Export Packers Farm Limited 107 Walker Drive Brampton, ON L6T5K5 Canada (905) 792-9700		8697 Limited Partnership Units	\$176065	NI 45-106 s2.3 [Accredited investor]	2015-12-31
644920 ON Ltd. 418-377 Madison Ave. Toronto, ON M4V2W7 Canada		29877 Limited Partnership Units	\$681704	NI 45-106 s2.3 [Accredited investor]	2015-12-31

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)
(416) 350-5993					
Margret Mary Holdings Inc. 180 Crescent Rd. Toronto, ON M4W 1V3 Canada (416) 727-0081		13240 Limited Partnership Units	\$300852	NI 45-106 s2.3 [Accredited investor]	2015-12-31
2358769 ON Ltd. 127 Alfred St W Unit 41 Thornbury, ON N0H2P0 Canada (416) 576-8721		8607 Limited Partnership Units	\$176065	NI 45-106 s2.3 [Accredited investor]	2015-12-31
J&J Berman Investco Ltd. 212 Arnold Ave Thornhill, ON L4J 1B9 Canada (416) 740-4653		8000 Limited Partnership Units	\$200000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
9020993 Canada Inc. 80 Boundary Rd. Cornwall, ON K6H 5V3 Canada (613) 932-8811		120000 Limited Partnership Units	\$3000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Ian Karper Holdings Inc. 1400 Merit Cres. Suite 409 Montreal, QC H3P3N6 Canada (514) 336-9171		40000 Limited Partnership Units	\$1000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Endiang Holdings Inc. 25 King St. West. Suite 2510 PO Box 443 Commerce Court Station Toronto, ON M5L1G4 Canada (416) 368-2420		40000 Limited Partnership Units	\$1000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
L&L Pillemer Investments 4255 14th Avenue Markham, ON L3R 0J2 Canada		12000 Limited Partnership Units	\$300000	NI 45-106 s2.3 [Accredited investor]	2015-12-31

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)
(416) 740-4653					
R.E.V. Holdings Ltd. 377 Glencairn Ave. Toronto, ON M5N 1V2 Canada (416) 726-7481		20000 Limited Partnership Units	\$500000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Marpro Holdings Inc. 2300 Yonge St. Suite #1602 Toronto, ON M4P 1E4 Canada (416) 323-3374		12000 Limited Partnership Units	\$300000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Jeffrey Lloyd Professional Corporation 199 Bay St. Suite 4000 Commerce Court West Toronto, ON M5L 1A9 Canada (416) 863-5848		2000 Limited Partnership Units	\$50000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Robert Adam Medicine Prof. Corp. 59 McGillivray Ave Toronto, ON M5M 2Y3 Canada (647) 444-6313		4000 Limited Partnership Units	\$100000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Markham Suites Hotel Limited 8500 Warden Ave Markham, ON L6G 1A5 Canada (905) 415-7615		80000 Limited Partnership Units	\$2000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Four Winds Capital Ltd. 22 St. Clair Avenue East, Suite 1400 Toronto, ON M4T 2S3 Canada (416) 967-7971		10000 Limited Partnership Units	\$250000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
SKNABER Limited 22 St. Clair Avenue East, Suite 1400 Toronto, ON M4T 2S3 Canada (416) 967-7971		40000 Limited Partnership Units	\$1000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31

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)
Russell WGGW Investments Limited 22 St. Clair Avenue East, Suite 1400 Toronto, ON M4T 2S3 Canada (416) 967-7971		20000 Limited Partnership Units	\$500000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Tandem Capital Corporation 2450 Central Ave. Windsor, ON N8W 4J3 (519) 945-2819		40000 Limited Partnership Units	\$1000000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Cidel Trust Company Inc. as Nominee In Trust for Taupaz Investments Limited Partnership 322 – 11th Ave SW Suite 403 Calgary, AB T2R 0C5 Canada (403) 697-6962		4000 Limited Partnership Units	\$100000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Cidel Trust Company Inc. in Trust for 2311512 Ontario Inc. 322 – 11th Ave SW Suite 403 Calgary, AB T2R 0C5 Canada (403) 697-6962		4000 Limited Partnership Units	\$100000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Cidel Trust Company Inc. as Nominee In Trust for Justin Kramer Holdings Inc. 322 – 11th Ave SW Suite 403 Calgary, AB T2R 0C5 Canada (403) 697-6962		2000 Limited Partnership Units	\$50000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Cidel Trust Company Inc. as Trustee of the Colin Webster Successor Trust 322 – 11th Ave SW		20000 Limited Partnership Units	\$500000	NI 45-106 s2.3 [Accredited investor]	2015-12-31

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)
Suite 403 Calgary, AB T2R 0C5 Canada (403) 697-6962					
Mandukwe Inc. 60 Bloor St W. 9th Floor Toronto, ON M4W3B8 Canada (416) 928-4112		10000 Limited Partnership Units	\$250000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
2005 Barrday Holding Inc. 75 Moorfield St. Cambridge, ON N1T1S2 Canada (519) 621-3620		4000 Limited Partnership Units	\$100000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
DV Trading Inc. Suite 701, 370 King St. West Toronto, ON M5V1J9 Canada (416) 628-6165		20000 Limited Partnership Units	\$500000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Hillwest B Investments Limited 22 St. Clair Ave East Toronto, ON M4T2S5 Canada (416) 967-7952		4000 Limited Partnership Units	\$100000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
1742304 Alberta Ltd. PO Box 24 Site 6 Dewinton, AB T0L0X0 Canada (416) 219-2759		1000 Limited Partnership Units	\$25000	NI 45-106 s2.3 [Accredited investor]	2015-12-31
Area One Fund III GP Ltd. 501 - 1670 Bayview Ave Toronto, ON M4G3C2 Canada (416) 783-5873		1 Limited Partnership Units	\$1	NI 45-106 s2.5 [Friends, family and business associates]	2015-12-31

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

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

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

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Cidel Asset Management Inc., 60 Bloor Street West, 9 th Floor, Toronto, ON M4W3B8 Canada	R	\$67,687	0	0		\$67,687

Certificate

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

Date: November 30, 2017

Area One Farms Limited Partnership III/IIIB

Name of issuer (please print)

Joelle Faulkner 416-254-3908

Print name, title and telephone number of person signing

Joelle Faulkner

Signature (typed/conformed)

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.

Brian J. Temins, Lawyer
416-369-4169

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