

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 269,354 Preferred Shares	\$269,354

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 261,056 Preferred Shares	\$261,056
Harjit Grewal Surrey, Canada	Director	1 Common Share 1,100,000 Preferred Shares	\$1,100,000
Sunjeev Bath Langley, Canada	Director	1 Common Share 2,421,599 Preferred Shares	\$2,421,599
John Tilstra Langley, Canada	Director	1 Common Share 906,422 Preferred Shares	\$906,422

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 March 28, 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 7,435,864 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 2.3, Section 2.9 and Section 2.10 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	120	\$1.00	\$7,435,864.00
Total number of Purchasers	120		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$7,435,864.00

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)
564759 B.C. Ltd. #104 – 3989 Henning Drive Burnaby, BC V5C 6P8 Contact: Ivano Cristante Tel: 604-861-1201	N/A	100,000 Class A Shares	\$100,000.00	Section 2.9 of NI 45-106	2016-03-28
620528 BC Ltd. #104 – 3989 Henning Drive Burnaby, BC V5C 6P8 Contact: Terri Schiller Tel: 587-538-7014	N/A	100,000 Class A Shares	\$100,000.00	Section 2.9 of NI 45-106	2016-03-28
0842046 BC Ltd. 13080 56th Avenue Langley, BC V3X 2Z4 Contact: Gurbir Sohi Tel: 604-786-6554	N/A	450,000 Class A Shares	\$450,000.00	Section 2.10 of NI 45-106	2016-03-28
August Holdings Ltd. 8643 Eagle Road Mission, BC V2V 4J1 Contact: Constance Westendorf Tel: 604-820-9045	N/A	150,000 Class A Shares	\$150,000.00	Section 2.10 of NI 45-106	2016-03-28
Bains Ventures Ltd. 12140 77A Avenue Surrey, BC V3W 1J7 Contact: Mark Bains Tel: 604-307-9033	N/A	300,000 Class A Shares	\$300,000.00	Section 2.10 of NI 45-106	2016-03-28
Henning Management Ltd. #104 – 3989 Henning Drive Burnaby, BC V5C 6P8 Contact: Marie Young Tel: 604-861-1201	N/A	200,000 Class A Shares	\$200,000.00	Section 2.10 of NI 45-106	2016-03-28
Oxford Gorge Management Ltd. 5358 Kew Cliff Road West Vancouver, BC V7W 1M2 Contact: Stefanie Denfeld Tel: 604-780-0717	N/A	300,000 Class A Shares	\$300,000.00	Section 2.10 of NI 45-106	2016-03-28
Pallas Services Limited 10325 150th Street Surrey, BC V3R 4B1 Contact: George Richards Tel: 604-813-7070	N/A	50,000 Class A Shares	\$50,000.00	Section 2.9 of NI 45-106	2016-03-28

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)
Pierce Mining Consultants Ltd. 3918 Clearwater Road Cobble Hill, BC V0R 1L4 Contact: Gibson Pierce Tel: 250-929-7107	N/A	100,000 Class A Shares	\$100,000.00	Section 2.9 of NI 45-106	2016-03-28
RFB Holdings Ltd. #3002 – 788 Richards Street Vancouver, BC V6B 0C7 Contact: Sylvia Boyd Tel: 403-619-1747	N/A	20,000 Class A Shares	\$20,000.00	Section 2.9 of NI 45-106	2016-03-28
RJ Hayek Ent. Ltd. 4449 Atlee Avenue Burnaby, BC V5G 3R7 Contact: Ron Hayek Tel: 604-439-7779	N/A	1,000,000 Class A Shares	\$1,000,000.00	Section 2.10 of NI 45-106	2016-03-28
Chris Whitehead Personal Real Estate Corp. 13897 94 Avenue Surrey, BC V3V 7K2 Contact: Chris Whitehead Tel: 604-584-6505	N/A	50,000 Class A Shares	\$50,000.00	Section 2.9 of NI 45-106	2016-03-28
TOTAL		2,820,000 Class A Shares	\$2,820,000.00		

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: April 7, 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