OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Date: April 30, 2019

The Issuer

Name:		WIN Mortgage Investment Corporation
Head office:	Address:	1194 Jefferson Avenue, Winnipeg, Manitoba, R2P 0C7
	E-mail:	info@winmic.ca
	Fax:	(204)414-9257
	Website:	www.winmic.ca

Currently listed or quoted?	**These securities do not trade on any exchange or market**.
Reporting issuer?	No
SEDAR filer?	Yes

The Offering

Securities offered:	Class “B” Preferred Shares (the "Preferred Shares")
Price per security:	$1.00 per Preferred Share
Minimum offering:	**There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Maximum offering:	$15,000,000 (plus proceeds from the sale of any Common Shares)
Minimum subscription amount:	You must invest a minimum of $10,000, subject to the discretion of the Directors of the Corporation to make exceptions to the minimum subscription amount, from time to time, and allow for subscriptions in an amount less than $10,000, provided you qualify as an “eligible investor” under NI 45-106.
Payment terms:	The full purchase price for the Preferred Shares being purchased by you must be received on or before the applicable closing of the offering in the form of certified cheque, bank draft, wire transfer or other guaranteed funds.
Proposed closing date(s):	Closings will occur from time to time at the discretion of the Corporation and subject to the Maximum Offering.
Income tax consequences:	There are important tax consequences to these securities. See Item 6 ‘Income Tax Consequences and Registered Plan Eligibility’.
Selling agent	Where allowed by applicable securities legislation, the Fund may pay compensation of up to a maximum 4.0% of the gross proceeds realized on the sale of the Preferred Shares under this Offering (or as otherwise set by the board from time to time), plus certain applicable trailer fees, to any one of, or a combination of, the following parties: unrelated investment dealers, related and/or unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Fund, employees and/or contractors of such parties, and officers and directors of the such parties. See ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See ITEM 10: RESALE RESTRICTIONS. The Preferred Shares are non-transferable, although retractable and redeemable in certain circumstances, as described herein. See ITEM 5: SECURITIES OF THE FUND.

Purchaser’s rights

You have two (2) 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 Item 8 - “Risk Factors”.

TABLE OF CONTENTS

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 of international, national and regional economic 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;
- changes in general economic and business conditions;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; and

- 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.

This Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has passed on the merits of the securities offered nor has it reviewed this Offering Memorandum, and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada. The securities offered hereunder will be issued under exemptions from the registration and prospectus requirements of the applicable securities laws of each of the Provinces and Territories of Canada, and the rules, regulations and policies thereunder and will be subject to an absolute restriction on resale.

The securities have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States of America (U.S.). These securities may not be offered or sold in the United States except pursuant to exemptions from registration under the U.S. Securities Act and all applicable states securities laws. The term "United States" is as defined in Rule 902 of Regulation S under the U.S. Securities Act. The securities are not available for sale to U.S. residents.

This Offering Memorandum is for the personal use only of those persons to whom we deliver a copy under the Offering and only for the purpose of evaluating the securities we are offering hereby. If you accept a copy of this Offering Memorandum, then you agree that you will not transmit, reproduce or make available to anyone, other than your professional advisors or as required by law, this Offering Memorandum or any information contained herein. No person has been authorized to give any other information or to make any other representation concerning this Offering that is not contained in this Offering Memorandum. You should not rely on any such other information or representation. The delivery of this Offering Memorandum is not intended to constitute an offering of securities where it is unlawful to make an offering under National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106").

The Preferred Shares offered under this Offering Memorandum are speculative securities. The ability of the Corporation to pay dividends or distributions is uncertain and you may lose some or all of your investment. There are a number of risk factors associated with an investment in Preferred Shares which investors should consider, including the following: (a) market value volatility of real estate assets; (b) interest rate fluctuations and changes in the availability and terms of financing; (c) various operational risks; (d) risks related to the Corporation; and (e) other important risks more fully described in this Offering Memorandum. The impact of these risks may be increased by the use of leverage by the Corporation. Investors should read the entire Offering Memorandum for full details about the Offering and should specifically note the risk factors more fully detailed in ITEM 8: RISK FACTORS.

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

GLOSSARY OF TERMS

The following are definitions of certain terms used in this offering memorandum:

"Administrator" means 6935100 Manitoba Ltd., a corporation incorporated under the laws of the Province of Manitoba, which is the administrator of the Corporation pursuant to the Administration Agreement.

"Administration Agreement" means the agreement between the Corporation and 6935100 Manitoba Ltd.

"CRA" means the Canada Revenue Agency.

"Closing" or **"Close"** means completion of an offering pursuant to this offering memorandum. The Corporation may have more than one closing and at any time without prior notice, at the Corporation's sole discretion.

"Commission" or **"Referral Fee"** means the monetary compensation paid as a commission to a licensed dealer or the referral fee paid to a finder in connection with this offering**.** **See Item 7 - "Compensation Paid to Sellers and Finders".**

"Corporation" means WIN Mortgage Investment Corporation.

"Corporations Act" means *The Corporations Act* (Manitoba), as amended from time to time.

"MIC" means a mortgage investment corporation as defined under the *Income Tax Act*.

"MBA" means *The Mortgage Brokerages Act* (Manitoba), as amended from time to time.

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*.

"Offering" means the offering of the Preferred Shares by this Offering Memorandum.

"Offering Memorandum" means this offering memorandum prepared in accordance with Form 45-106F2, Offering Memorandum for Non-Qualifying Issuers as provided for in NI 45-106.

"Preferred Shares" means the authorized and unissued Class "B" Preferred shares in the capital stock of the Corporation.

"Regulation" means a regulation promulgated pursuant to the Tax Act.

"Shareholder" means a holder of Preferred Shares.

"Special Approval" means the approval of the Shareholders by special resolution passed by not less than two-thirds (2/3) of the votes cast in respect of such resolution.

"Subscriber" means a person who subscribes for Preferred Shares.

"Subscription Agreement" means the form of a subscription agreement to be entered into concurrent with the offering.

"Tax Act" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp), as amended.

PURPOSE OF THE OFFERING

The purpose of this offering is to raise capital in order to expand the Corporation's current mortgage investment business by providing investors with the opportunity to subscribe for Preferred Shares. The Corporation is a "mortgage investment corporation" for purposes of the Tax Act. The Corporation will, in computing its taxable income, generally 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. Dividends other than capital gains dividends, which are paid by the Corporation on the Preferred Shares to Shareholders will be included in Shareholders' income as interest.

The Preferred Shares will be qualified investments for a trust governed by a Registered Retirement Savings Plan (collectively, an "RRSP"), a Registered Retirement Income Fund ("RRIF"), a registered Educational Savings Plan ("RESP"), or a Tax Free Savings Account ("TFSA"), at a particular time, if the Corporation qualifies as a MIC under the Tax Act and meets such other obligations as are defined in **Item 6 - "Income Tax Consequences"**.

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this offering	$0	$15,000,000
B	Selling commissions and fees (1)	$0	$600,000
C	Estimated offering costs (e.g., legal, accounting, audit, etc.)	$0	$30,000
D	Available funds: D = A - (B+C)	$0	$14,370,000
E	Additional sources of funding required	$0	$0
F	Working capital deficiency	$0	$0
G	Total: G = (D+E) - F	$0	$14,370,000

<u>**Note:**</u>

(1) Fees payable to registered Exempt Market Dealers are based on assuming a fee of 4% (four percent) is paid for all Preferred Shares sold. **Please see Item 7 – "Compensation Paid to Sellers and Finders".**

1.2 Use of Available Funds

Description of Intended Use of Available Funds (Listed in Order of Priority)		**Assuming Maximum Offering**
Invest in mortgages as described under Item 2 - "Business of the Corporation"	**$0**	13,845,000
Management Fees[1]	**$0**	$450,000
Estimated Mortgage handling fee[2]		$75,000
Total: Equal to G in the Funds table above		$14,370,000

<u>Notes:</u>

1. Management fees are payable to 6935100 Manitoba Ltd., the directors of which are also directors of the Corporation, pursuant to the Administration Agreement as described under **Item 2.7 – "Material Agreements"**.
2. Estimated Mortgage handling fees are payable to 6935100 Manitoba Ltd., the directors of which are also directors of the Corporation, pursuant to the Administration Agreement as described under **Item 2.7 – "Material Agreements"**.

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

ITEM 2 BUSINESS OF THE CORPORATION

2.1 Structure

The Corporation was incorporated in the Province of Manitoba under *The Corporations Act* (Manitoba) on March 6, 2015 and was assigned Corporation Number 7081929. The Corporation's Articles were subsequently amended by Articles of Amendment filed May 25, 2015, March 2, 2017 and February 22, 2019. The Corporation has no subsidiaries and is not registered to carry on business in any other jurisdiction. The Corporation's head office is located at 139 Petriw Bay, Winnipeg, Manitoba R2R 1K2 and its registered office is located at Suite 900

– 400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5. The Administration office is located at 1194 Jefferson Avenue, Winnipeg, MB R2P 0C7.

2.2 Description of Our Business

The Corporation is intended to carry on the business of the mortgage investment corporation (a "MIC") and has been established and organized to achieve this aim. The primary investment objective is to make prudent investments in mortgages against real property located in Canada in order to generate sustainable and stable income while preserving investment capital for individual and institutional investors. The Corporation intends on maintaining its status as a MIC pursuant to the provisions of the Tax Act. This will enable the Corporation to operate as a tax free "flow through" conduit which will enable it to distribute profits to its Shareholders in a tax efficient manner. A MIC does not pay income taxes on net earnings at the corporate level from which dividends are paid. This allows the Shareholders of the Corporation to receive income from the Corporation on a tax effective basis.

The Corporation's mortgage portfolio will consist mainly of residential, residential construction and commercial financing secured by first or second mortgages, and in exceptional cases, by third mortgages. The risk profile of the mortgages will vary depending on the priority of the mortgages and the nature of the underlying property which is subject to the mortgage. It may also include demand loans such as bridge loans and term loans that are secured by real property.

To maintain a stable yield on its mortgage portfolio, the Corporation will manage risk through maintenance of a diversified mortgage portfolio, conservative underwriting, and diligent and aggressive mortgage servicing. A typical loan in the Corporation's residential mortgage portfolio, for both first and second mortgages, has an interest rate of 7.99% to 15.99% per annum. A typical construction mortgage has an interest rate of 11.99% to 16.99% per annum. The mortgages to be offered by the Corporation are intended to be issued on a one or two year term and primarily consist of interest only payments on a monthly basis and principal plus interest payments in exceptional cases.

The Corporation may purchase interests in syndicated mortgages in which it will participate with one or more lenders. Syndication may be on a pari passu basis or on a subordinated basis. Participating in syndicated mortgages reduces the Corporation's investment and corresponding exposure in any one mortgage investment. It will also enable the Corporation to participate in the financing of larger real estate projects than would otherwise be possible. In addition to investing in mortgages, the Corporation may invest in other investments as permitted under the Tax Act.

The Tax Act requires a MIC to have at least 50% of its assets invested in houses (as defined in section 2 of the *National Housing Act*) or on property included within a housing project (as defined in the aforementioned section). The Corporation has discretion to invest in investments other than mortgages and including, but not limited to, promissory notes, debentures or other like securities subject to this restriction. The 'non-mortgage' investments may or may not be secured and may carry a greater risk than investing in mortgages.

The Corporation intends to invest primarily in first or second mortgages, and such mortgages will typically fall into the following categories:

(a) **Residential Mortgages** – mortgages principally secured by mortgage registrations on residential properties. Residential Mortgages can either be conventional (up to 75% loan to value ratio) or high ratio mortgage. High ratio mortgages will not exceed 85% of the appraised value at the time of the loan application.

This style of loan is usually advanced to borrowers to assist with the purchase or refinancing of a residential property.

(b) **Equity or Equity Take-out Mortgages** – means mortgages used to take out the equity that the homeowner has built up over the years in a property. It can be used for various purposes such as investments, renovations, down payment for a different property, etc. In most cases, these are usually second or third position mortgages. This can either be conventional (up to 75% loan to value ratio) or high ratio mortgages. High ratio mortgages will not exceed 85% of the appraised value at the time of the loan application.

(c) **Construction Loans** – means short term (less than 2 years) real estate financing secured by mortgages on the property being financed. This type of loan is meant to cover the cost of land development and building construction, and is disbursed (i) as needed, (ii) as each stage is completed, (iii) according to the pre-arranged schedule or (iv) when certain conditions are met. Construction loans will not exceed a 75% loan-to-value ratio.

(d) **Commercial Loans** – means 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; the maximum loan-to-value ratio in these types of loans will not exceed a 65% loan-to-value ratio.

Furthermore, such investments are subject to the following restrictions:

(a) at least 50% of the cost amount of all of our assets must consist of bank deposits or debts secured on Canadian homes or housing projects;

(b) no more than 25% of the cost amount of all of our assets can consist of ownership of, or leasehold interests in, real estate unless acquired through foreclosure;

(c) we cannot invest our funds in (i) real estate located outside Canada or in leasehold interests in such real estate, (ii) debts of persons not resident in Canada unless the debt is secured by a mortgage on real estate located within Canada, and (iii) shares of corporations not resident in Canada;

(d) the Corporation currently does not have any long term debt. The Corporation may, however, in the future fund its investments through equity financings and the Corporation may employ leverage, as permitted by applicable legislation (namely the Tax Act), by issuing debt obligations up to a maximum of five times the net book value of its assets. The Corporation might utilize leverage from time to time through a credit facility such as line of credit arranged with an arm's length financial institution or Canadian Chartered Bank. The lender might require the Corporation to provide a security interest in favour of the lender in the assets of the Corporation to secure such borrowings. The Corporation intends to borrow to the extent that the Directors are satisfied that such borrowing and additional investments will increase the overall profitability of the Corporation which in turn will benefit its shareholders; and,

(e) the mortgage portfolio composition might vary from time to time depending upon market conditions and the general Canadian economic outlook. The Corporation intends to operate across the Provinces of Ontario, British Columbia, Manitoba and Alberta. This diversification in the source of business enables the Corporation to invest in a variety of mortgage investments from a geographical, market and product-type perspective. The Corporation will re-balance the investment mix in response to market conditions and opportunities.

Investment Policy

Our investment policy is intended to enable us to qualify for the special tax treatment afforded to MICs under the Tax Act. For this reason, the Corporation will invest the majority of its funds in residential mortgage loans with the balance held in bank deposits. The Corporation may also invest its funds in construction, commercial and interim mortgage loans. **No funds will be loaned in respect of any property in which any of the Directors or officers of the Corporation have a direct or indirect interest.**

The Corporation believe the types of mortgage loans in which the Corporation has invested, and will invest in, are consistent with the criteria for a MIC under the Income Tax Act. Provided that the Corporation meet these criteria it should be accorded the 'flow through' tax treatment given to MICs under the Tax Act. That treatment results in the Corporation not being taxed on any of its net income, all of which is distributed in the form of dividends (which, however, are taxed as interest income) to our Preferred Shareholders. Subscribers are encouraged to review the tax implications of owning securities of a MIC with their own professional advisors.

We may arrange a revolving demand credit facility with a financial institution so that we can seek to optimize our earnings through reasonable leverage. This credit facility will allow us, if our capital base is sufficient to satisfy the bank requirements, to borrow additional funds with which we can make further mortgage loans and thereby leverage our capital base.

The Investment Policy is subject to the direction and/or discretion of the Directors of the Corporation, as well as any changes to the Tax Act affecting the Corporation's status as a MIC, and accordingly may be amended from time to time.

Operating Policy

While the Operating Policy is subject to the direction and/or discretion of the Directors of the Corporation, and accordingly may be amended from time to time, the following principles form the basis of the initial operating policy of the Corporation:

1. The Corporation's only undertaking will be to invest the Corporation's funds in accordance with its investment objectives, strategies and restrictions, all in compliance with the requirements of the Tax Act;

2. A majority of the Corporation's invested capital is to be invested in 1st and 2nd mortgages to be registered against real property located in Canada;

3. Not more than $1,000,000 is to be invested with any one borrower;

4. Not more than $500,000 is to be invested in any single mortgage investment;

5. The Corporation shall allow for up to 25% of the mortgages held to be commercial loans or mixed use properties, however, no loans will be made for land development;

6. The Corporation may from time to time engage in bridge financing activities including the financing of new home construction;

7. Mortgages may be syndicated when it is deemed appropriate to minimize risk. By limiting the Corporation's loan portfolio participation in large individual investments, the Corporation will have the benefits of increased portfolio diversification;

8. Construction and major rehabilitation loans may be funded after receipt and review of an appraisal based on the "as-is" and "completed value" of the property. The loan is advanced in progress draws as predetermined by the Corporation and agreed to by the borrower. Prior to each loan advance, the property is re-inspected by an appraiser who will provide a written detailed progress report; and,

9. When not invested in mortgages, excess funds will be placed in Canada Deposit Insurance Corporation insured investments, including investments guaranteed by the Government of Canada, a province or territory of Canada, or placed in interest-bearing cash deposits, short-term deposits or savings accounts with a Schedule I or Schedule II Chartered Bank as listed in the *Bank Act* (Canada) or a credit union as defined in *The Credit Unions and Caisses Populaires Act* (Manitoba) such that the Corporation will maintain a level of working capital as determined necessary for its ongoing operations.

The following conditions will apply to loans made by the Corporation (or a nominee corporation owned by the Corporation):

1 For residential properties, the Corporation will make loans in amounts up to 85% of the appraised market value;

2 For commercial, mixed-use and industrial mortgages, the Corporation will lend up to 65% of the appraised market value of the property;

3 For construction mortgages, the Corporation will lend up to 80% of the appraised market value of the property;

4 The maximum term of the loans may be up to two years;

5 Independent appraisals done by a qualified appraiser approved by the Corporation are required before the approval of most mortgage loans. The loans are only made where such appraisals and all other relevant materials including, where appropriate, credit, financial and economic reports are satisfactory to the Corporation;

6 The maximum loan-to-value ratio ("LTV") for any particular mortgage investment will vary depending on a number of factors, including the location and marketability of the property and the condition of the property. In any event, the Corporation will lend up to a certain percentage of the value of a particular property as established by an appraisal or an opinion of value;

7 Loan repayment schedules will consist primarily of interest only monthly payments. From time to time, the Corporation will issue mortgages with repayment schedules of principal and interest, payable monthly and amortized over a period of 25 years;

8 Mortgage investments will be denominated in Canadian Dollars;

9 Following funding, all of the Corporation's mortgages will be registered on title to the subject property in the name of WIN Mortgage Investment Corporation, (or a nominee corporation owned by the Corporation on behalf of the Corporation); and,

10 In order to renew or extend a mortgage loan, the Corporation may increase the loan amount to cover, among other items, renewal fees, extension fees or legal fees, so long as any increase in the amount of the loan does not result in the total loan amount exceeding 85% of the most recent valuation of the property.

Management Company

To provide for the management of our business we have entered into an Administration Agreement dated the 1st day of April, 2015 with the Administrator**. The Administration Agreement is subject to amendment from time to time as agreed by both parties in writing.** The Agreement became effective on April 1, 2015 and may be terminated upon 30 days prior notice by either of the Corporation or the Administrator. The Directors of the Corporation are also directors of the Administrator.

The Administrator is to provide mortgage investment and mortgage services including:

(a) administering the investments that the Corporation invests in (the "**Corporation's Investments**");

(b) administering the security instruments relating to the Corporation's Investments, including the Corporation's mortgages, general security agreements and any other forms of security of the Corporation;

(c) providing day-to-day administration, bookkeeping and general recordkeeping; and,

(d) providing the Corporation with office premises and clerical staff as required by the Corporation.

The Corporation shall pay the Administrator a monthly fee equal to three percent (3%) per annum of the total assets of the Corporation, as valued by management from time to time, excluding cash, as calculated on the last day of each such month, and paid not later than the fifth (5th) day of the next month.

The Corporation shall pay the Administrator a monthly fee equal to one-half of one percent (0.5%) on each mortgage funded by them subject to minimum fee of $5,000.00 per month and maximum fee of $6,250.00 per month.

The Corporation has agreed to indemnify the Administrator from all claims incurred in respect of the origination, administration and servicing of our mortgage portfolio except those caused by the negligence, fraud or willful misconduct of the Administrator. The Administrator has agreed to indemnify the Corporation from any claims, losses, damages, costs and expenses suffered by the Corporation as a result of performing their duties under the Administration Agreement.

The Board of Directors

The Board of Directors of the Corporation is charged with the responsibility to supervise the management of the business and affairs of the Corporation with a view to the best interests of the Corporation and its shareholders generally. The Board of the Corporation (the "Board") currently consists of four directors. **The Board approves all policies of the Corporation and has final approval on all individual mortgages.** In addition to the professional qualifications and experience they have individually, the Board receives on-going education on corporate governance and industry policies from its professional advisors. The Board meets as a whole at least monthly to review the reports from mortgage brokers and the Administrator on the Corporation's investment portfolio and operations.

The Tax Act's MIC Criteria

Currently, Section 130.1 of the Tax Act sets out the criteria governing a MIC, and in summary provides that in order to qualify as a MIC for a taxation year, a company must have met the following criteria throughout the taxation year:

(a) Its only undertaking was the investing of its funds and it did not manage or develop any real estate;

(b) It did not invest in:

- (i) mortgages or property outside of Canada;
- (ii) shares of companies not resident in Canada; or
- (iii) real property or leasehold interests outside of Canada;

(c) It had at least 20 shareholders, and no one shareholder together with related parties to that shareholder held between them more than 25% of the issued shares of any class of shares of the company;

(d) At least 50% of the cost amount (as defined in the Tax Act) of company's assets must be comprised of:

- (i) loans secured on houses or on property included in a housing project, as those terms are defined in the *National Housing Act* (Canada) ;
- (ii) deposits insured by the Canada Deposit Insurance Corporation ("CDIC") (or Quebec DIC);
- (iii) deposits in a credit union; or
- (iv) cash;

(e) No more than 25% of the cost amount of the company's assets consisted of real property (excluding any real property acquired by foreclosure); and,

(f) It will not exceed, generally speaking, a 3:1 debt-equity ratio, or a 5:1 ratio if greater than two-thirds or more of the company's property consists of residential mortgages and/or deposits secured by the Canada Deposit Insurance Corporation (or Quebec DIC) or in a credit union, if applicable.

Section 130.1 of the Tax Act authorizes a MIC to borrow funds and leverage its capital in certain ratios related to the type of assets held. Provided one-half of the MIC's assets comprise a combination of residential mortgages and/or CDIC insured investments, the MIC is authorized to borrow up to a maximum of three times the amount of its equity. Provided two-thirds of the MIC's assets comprise a combination of residential mortgages and/or CDIC insured investments, the MIC is authorized to borrow up to a maximum of five times the amount of its equity. The Preferred Shares are considered equity for these purposes (as they are classified as a liability on the balance sheet).

The Corporation will borrow funds whenever funds are available provided it is economical and prudent to do so. These borrowings may take the form of lines of credit from banks and other lending institutions and/or promissory notes and other types of debt contracts with individuals and companies, as the case may be. It is probable that debt instruments will form part of a floating charge against the assets and equity of the Corporation, and in the event of liquidation or wind-up, will rank in priority to the outstanding shares of the Corporation **(See Item 8(b)(v) under the heading "Risk Factors").**

Marketing Plans

On the investment side, the Administrator, on behalf of the Corporation, may enter into marketing agreements with third parties such as financial advisors, insurance brokers/agents, stock brokers and dealers, etc. to market the Preferred Shares. **The compensation paid to such third parties will be negotiated with such persons but the Company does not presently intend to pay greater than 4% of the gross proceeds received by the Corporation from any offering (subject to the discretion of the Board of Directors from time to time).** The corporation may pay up to **2% per annum trailer fees for maximum of next 2 years.** No further additional compensation will be paid on any purchases of Preferred Shares under a dividend reinvestment plan or periodic investment plan in these circumstances. In addition, the Administrator intends to participate at various financial forums and seminars as well as organizing financial planning seminars to market the Corporation and its business endeavors in the mortgage investment corporation community.

2.3 Development of Our Business

The Corporation was duly incorporated and began operating in Manitoba in March of 2015, with the intent of accumulating funds from the sale of its Preferred Shares for the purposes of lending the funds to borrowers in Canada, secured by mortgages. The Corporation's total assets have since then grown from $397,933 to $1,800,000. The Corporation has paid a dividend return of more than 9% over each of the last 3 years period. We now want to raise additional capital to further expand mortgage business across Manitoba and Alberta.

We funded total 43 mortgage deals for $1,970,855 during the period January 1, 2016 to December 31, 2018 as per detail given below:

Mortgage	**2016**			**2017**			**2018**		
	No.	**%**	**Mortgage Loan**	**No.**	**%**	**Mortgage Loan**	**No.**	**%**	**Mortgage Loan**
First				3	22.9	$169,550	5	54.2	$430,000
Second	12	100.0	$437,800	15	77.1	$570,205	8	45.8	$363,300
Total	12	100.0	$437,800	18	100.0	$739,755	13	100.0	$793,300

Out of above 43 deals, 2 deals (second mortgages) for $53,000 were funded in Calgary, Alberta. The remaining 41 deals for $1,917,855 were funded in Manitoba. All mortgages are in good standing to date.

Given below is the detail of annual returns paid to the shareholders are per the Corporation's audited year end financial statements:

Dividend Paid in the fiscal year ended	Feb. 28, 2018	Feb. 28, 2017	Feb. 28, 2016	Feb. 28, 2015
DRIP (Reinvested in shares)	9.57%	9.76%	9.52%	-
Cash	9.57%	9.76%	9.52%	9.06%

Above are historical rate of return. There is no guarantee that such rates would continue or investors should expect the similar rates in future.

2.4 Long Term Objectives

The Corporation's business objective for the next 24 months is to raise up to $35,000,000 of capital and invest it in accordance with the Corporation's investment policies and the Tax Act's MIC criteria with the intent of optimizing return and paying semi-annually for 2019 year end and Quarterly after that dividends to its shareholders. The available funds from this offering will be invested in eligible investments (as defined in the Tax Act) located in Manitoba and Alberta. The Corporation's income will primarily consist of the interest or distributions generated from providing mortgage loans with a reasonable and manageable level of risk in accordance with its established lending policies and practices. Beyond the 24 month period referred to above, the Corporation's objective is to continue the development of its business by raising investment capital and investing substantially in mortgages secured by real property located in Canada. The Corporation's goal is to have assets equal to $60,000,000 under management within 5 years. We hope to achieve this long term growth of our earnings and assets by following our lending guidelines, minimizing both risk of our capital and the number of foreclosures. As a result, the Corporation intends on generating sustainable income from its investments while preserving corporate capital for re-investment. The cost to achieve the short term objective will be the costs associated with the preparation and filing of this Offering Memorandum, including professional fees, management fees, interest and bank charges, trustee fees, licensing fees and compensation paid to sellers and finders where applicable.

2.5 Short Term Objectives and How We Intend to Achieve Them

a. The Corporation's business objective for the next 12 months is to complete this Offering and to invest all of the available funds from the Offering in mortgages, primarily to borrowers who provide the Corporation with mortgages on real property located primarily in the Provinces of Manitoba and Alberta, as described above in Item 2.2 - "Our Business", and to provide a target net return to Preferred Shareholders of approximately 6% to 8% per annum.

   The cost to achieve the short term objective will be the costs associated with the preparation and filing of this Offering Memorandum, including professional fees, management fees, interest and bank charges, trustee fees, licensing fees and compensation paid to sellers and finders where applicable.

b. The following table discloses how the Corporation intends to meet the objectives:

What we must do and how we will do it	Target Completion Date/Number of Months to Complete	Our Cost to Complete
Raise investment funds up to $15,000,000	12 months	$30,000
Invest the Corporation's funds as soon as reasonably and practically possible into mortgage loans[1]	12 months	$75,000
Administrator to identify appropriate investments in accordance with the investment criteria[2]	12 months	$450,000
Registered Exempt Market Dealer to assist with share distributions[3]		$600,000

Notes:

1. Assuming 0.5% Mortgage handling fees are payable to 6935100 Manitoba Ltd., the directors of which are also directors of the Corporation, pursuant to the Administration Agreement as described under **Item 2.7 – "Material Agreements"**.
2. Assuming a 3% fee on $15,000,000 raised during initial 12 months, which equals $450,000.
3. Assuming a 4% fee on $15,000,000 raised during initial 12 months, which equals $600,000.

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 summarizes the material agreement to which the Corporation is currently a party:

Pursuant to the terms of the Administration Agreement, the Administrator provides a wide range of services including, but not limited to, overseeing and managing the Corporation's investment and mortgage portfolio; and the provision of administration services including, but not limited to, generally administering mortgage loans, collecting the principal, interest and all other amounts due by the borrower to the Corporation and distributing same to the Corporation. **The Administrator and the Corporation are related parties in that the shareholders of the Administrator are the same individuals as the shareholders of the Corporation.** The fee will be 3% per annum of total assets of the Corporation, excluding cash, calculated and payable monthly. The Administrator will also charge an additional fee of a minimum of $5,000 per month, up to a maximum of the greater of $6,250 per month or 0.5% per annum.

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

3.1 Compensation and Securities Held

The following table sets out information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "principal holder").

Name & Municipality of Principal Residence	Positions Held & Date Appointed	Compensation Paid and Payable Since Inception and Compensation Anticipated to be Paid in Current Financial Year	Number, Type & Percentage of Our Securities held after completion of Minimum Offering	Number, Type & Percentage of Our Securities held after completion of Maximum Offering
Harjinder Pal Singh East St. Paul, MB	President & Director, March 6,2015	To Date – Nil	100 Common Voting Shares (25%) and 42,890 Preferred shares Class B (2.06%)	100 Common Voting Shares (25%) and 42,890 Preferred shares Class B (0.25%)
Harmesh Aggarwal Winnipeg, MB	Vice President & Director, March 6,2015	To Date – Nil	100 Common Voting Shares (25%)	100 Common Voting Shares (25%)
Rajwinder Singh Lottey Winnipeg, MB	Secretary& Director, March 6, 2015	To Date – Nil	100 Common Voting Shares (25%)	100 Common Voting Shares (25%)
Trevor Winzoski Oakbank, MB	Vice President – Investments & Director December 13, 2018	To Date – Nil	100 Common Voting Shares (25%) and 125,607 Preferred shares Class B (6.04%)	100 Common Voting Shares (25%) and 125,607 Preferred shares Class B (0.74%)

3.2 Management Experience

The following table discloses the principal occupations and relevant experience of the Corporation's directors and senior officers over the past five years.

Name	Principal occupation and relevant experience during last 5 years
Harjinder Pal Singh	Harjinder Pal Singh (aka Paul Singh) is the main founding shareholder and President and a Director of WIN Mortgage Investment Corporation. He graduated with a Bachelor of Science. Paul has spent his entire career as an established businessman in the management services, mortgage, lending, real estate and investment business. Paul has been licensed as a Mortgage Broker under the Manitoba Securities Commission and the Real Estate Council of Alberta. He is the President of Coast To Coast Mortgage Group which provides residential and commercial mortgage services in Alberta and Manitoba. Coast To Coast Mortgage Group deals directly with major Canadian banks/credit unions and private lending companies.
Harmesh Aggarwal	Harmesh Aggarwal is a founding shareholder and Vice-President and a Director of WIN Mortgage Investment Corporation. He has a Bachelor of Commerce. He has also completed his Articled Training from the Institute of Chartered Accountants of India. Harmesh has spent his entire career as a Finance Controller since 1990. Harmesh has been licensed under the Manitoba Securities Commission and *The Mortgage Brokers Act* (Manitoba) to act as a mortgage specialist since September 2010.
Rajwinder Singh Lottey	Rajwinder Singh Lottey (aka Raj) is a founding shareholder and Secretary and a Director of WIN Mortgage Investment Corporation. He previously worked as a pharmacist and businessman in India and the United Kingdom. Raj has been licensed under the Manitoba Securities Commission and *The Mortgage Brokers Act* (Manitoba) to act as mortgage specialist since September 2012.
Trevor Winzoski	Trevor Winzoski is a founding member and Vice-President of Investment and a Director of WIN Mortgage Investment Corporation. He has a 3-year degree in science from the University of Manitoba and has been a chiropractor for the past 25 years. He is an active participant in the stock market, as well as residential and commercial properties.

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer or control person (collectively, an "Insider") or any issuer in which an Insider was a director, executive officer or control person, has during the last 10 years:

(a) been subject to any penalty or sanction or any cease trade order that has been in effect for a period of more than 30 consecutive days; or

(b) made a declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, or appointed a receiver, receiver-manager or trustee to hold assets.

3.4 Loans

As of the date of this Offering Memorandum, there are no loans outstanding, to or from any of the directors, management, promoters or principal shareholders of the Corporation.

ITEM 4 CAPITAL STRUCTURE

4.1 Share Capital

Description of security	Number authorized to be issued	Price Per Security	Number outstanding as at April 17, 2019	Number outstanding after minimum offering	Number outstanding after maximum offering
Class "A" Common Shares	Unlimited	$1.00	400	400	400
Class "B" Preferred Shares	Unlimited	$1.00	2,080,729	2,080,729	17,080,729

4.2 Long Term Debt Securities

The Corporation has no outstanding long-term debt.

4.3 Prior Sales

The Corporation has not previously offered any securities pursuant to an offering memorandum. Given below is the detail of securities issued to preferred shareholders pursuant to NI 45-106, Section 2.2 [*Reinvestment plan*] and NI 45-106, Section 2.5 [*Friends, family and business associates*] during the 12 month period ended on the date of this Offering Memorandum:

Month of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
June, 2018	Class "B" Preferred Shares	50,000	$1.00	$50,000.00
July, 2018	Class "B" Preferred Shares	89,542	$1.00	$89,542.00
September, 2018	Class "B" Preferred Shares	7,250	$1.00	$7,250.00
October, 2018	Class "B" Preferred Shares	83,420	$1.00	$83,420.00
December, 2018	Class "B" Preferred Shares	103,622	$1.00	$103,622.00
January, 2019	Class "B" Preferred Shares	15,000	$1.00	$15,000.00
February, 2019	Class "B" Preferred Shares	52,600	$1.00	$52,600.00
March, 2019	Class "B" Preferred Shares	7,000	$1.00	$7,000.00
April, 2019	Class "B" Preferred Shares	237,282	$1.00	$237,282.00

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

The Issuer is authorized to issue an unlimited number of Preferred Shares, which have the following rights, privileges, restrictions and conditions;

(a) **Voting**:
Except as provided by *The Corporations Act* (Manitoba), the holders of the Preferred Shares without nominal or par value shall not be entitled to vote at any meeting of the shareholders of the Corporation.

(b) **Dividends**:
(i) To receive, in each year, out of any or all profits or surplus available for dividends, non-cumulative dividends as and when declared in the discretion of the Board of Directors. Any dividend

payable is payable, in the discretion of the Directors, at the rate set by them, and in preference and priority to any dividends on the Common Shares.

(ii) After payment to them of their preferred dividends as set out in paragraph (b) (i), and payment of dividends in a like amount per share to holders of the Common Shares, holders of Preferred Shares have a right to participate pari passu with the holders of Common Shares in any further payment of dividends.

(c) **Liquidation, Dissolution or Winding-Up:** To receive, on the liquidation, dissolution, winding-up or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs and before distribution of any part of the assets of the Corporation to holders of the Common Shares an amount equal to the Redemption Amount. After such amounts have been distributed to the holders of the Preferred Shares, the holders of the Preferred Shares will participate pari passu with the holders of the Common Shares in the distribution of any remaining amount available for distribution.

(d) **Redemption Amount:** The redemption price for each Preferred Share shall be the net asset value attributable to each Preferred Share as determined in the Corporation's financial statements available at the time of redemption (herein referred to as "Redemption Amount"). At the discretion of the directors, the Redemption Amount is subject to change throughout a fiscal year in the event of material changes to the Corporation's net asset value. A Preferred Share cannot be redeemed or purchased for an amount greater than the Redemption Amount nor can it be redeemed or purchased for an amount less than the lesser of Redemption Amount and the net realizable value, in cash, of the assets of the Corporation at the time of redemption or purchase available to be distributed to the holder of that Preferred Share.

(e) **Redemption:**

(i) By resolution of the Directors, the Corporation may, on giving thirty (30) days notice of its intent provided in paragraph (e)(ii) below (the "Redemption Notice"), redeem at anytime and from time to time the whole or any part of the then outstanding Preferred Shares on the date fixed by such resolution at an amount equal to the Redemption Amount.

(ii) The Redemption Notice will:

i. be in writing;

ii. be given to each person who, at the date the Corporation gives the notice, is the registered holder of the Preferred Shares that the Corporation intends to redeem;

iii. be given by delivering or posting same in a postage paid envelope addressed to each holder of Preferred Shares at the last address of such holder as it appears in the Corporation's securities register, or if the shareholder's address does not appear in the Corporation's securities register, at the address of such shareholder last known to the Corporation; provided that if the Corporation accidentally fails or omit to give notice to one or more of the shareholders such failure or omission will not affect the validity of the redemption of the Preferred Shares that the Corporation intends to redeem; and

iv. set out the Redemption Amount and the date on which the Corporation intends to redeem the Preferred Shares (the "Redemption Date").

Any holder of a Preferred Shares to be redeemed may waive the thirty (30) day prior notice period, the giving of notice, or both.

(iii) Subject to paragraph (e)(iv) below, on or after the Redemption Date:

i. the Corporation will pay or cause to be paid the Redemption Amount to the holders of the Preferred Shares that the Corporation intends to redeem, on presentation and surrender of the certificate or certificates for the Preferred Shares called for redemption at the Corporation's registered office or any other place or places within Canada designated by the Redemption Notice; and

ii. such payment will be made by cheque payable at par at any branch in Canada of the Corporation's bankers.

The Preferred Shares in which the Corporation has paid the Redemption Amount in the foregoing manner will, on such payment, be considered to be redeemed. From and after the Redemption Date, the holders of Preferred Shares that the Corporation intends to redeem will not be entitled to exercise any rights of holders in respect of such shares, except to receive the Redemption Amount of those shares, unless the Corporation does not pay the redemption on the presentation of the share certificates in the foregoing manner, in which case, such holders' rights shall remain in full effect.

(iv) If upon giving notice that the Corporation intends to redeem a portion of the outstanding Preferred 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 Preferred Shares will be purchased, as nearly as may be, pro rata, to the number of Preferred Shares so offered for redemption by each of the holders of the Preferred Shares.

(f) **Retraction:**

(i) Subject to paragraph (f)(iii), paragraph (f)(iv) and paragraph (f)(v) below, the Corporation will purchase or redeem the number of Preferred Shares described in a notice, complying with paragraph (f)(ii) below, received by the Corporation (the "Retraction Notice"):

i. on the date (the "Date of Retraction") that is no later than the last business day of the month of March, in the year following the year in which the Retraction Notice is received by the Corporation in accordance with paragraph (f)(ii)(i) below; and

ii. for an amount equal to the Redemption Amount calculated as of the Date of Retraction multiplied by the number of Preferred Shares to be redeemed or purchased.

(ii) The Retraction Notice from any holder of the Preferred Shares to the Corporation must:

i. be received by the Corporation no later than August 31 in any year in order for retractions to be redeemed or purchased on the Date of Retraction;

ii. be in writing;

iii. set out the number of Preferred Shares to be redeemed or purchased; and,

iv. set out the chartered bank, trust company or address in the city in which the registered office of the Corporation is located to which any amount on the redemption or purchase is to be paid.

(iii) Retraction of Preferred Shares will not be redeemed by the Corporation for which a Retraction Notice is received, if redemption of the aggregate number of Preferred Shares subject to the Retraction Notices would result in the Corporation having retracted a number of Preferred Shares during the period of time since the start of the most recent fiscal year which is greater than 25% of the Preferred Shares issued and outstanding (as at the beginning of the fiscal year during which the last of such Retraction Notices are given).

(iv) Retraction of Preferred Shares will not be redeemed by the Corporation for which a Retraction Notice is received, if it would result in:

i. the Corporation having less than 20 holders of Preferred Shares;

ii. the Corporation failing to qualify as a "Mortgage Investment Corporation" as that term is defined in the Tax Act (Canada);

iii. any Preferred Shareholder becoming a "Specified Shareholder" as that term is defined in the Tax Act; or

iv. the Corporation failing to comply with any solvency tests or being in violation of any other provision of the Corporations Act.

(v) In the event the total number of Preferred Shares described in the Retraction Notices received by the Corporation on August 31 in a given year in accordance with (f)(ii)(i) above is greater than 10% of the Corporation's net asset value calculated as of the most recent fiscal year end, the Preferred Shares will be redeemed by the Corporation on a basis which is pro rata to the number of Preferred Shares subject to such Retraction Notices.

(vi) Any retraction requested by a holder of Preferred Shares pursuant to a Retraction Notice in respect of the original number of Preferred Shares subscribed for by that holder, shall be subject to a discount on the applicable Date of Retraction in accordance with the following schedule of discounts:

i. On Preferred Shares Date of Retractions within the first 24 months after any holder of Preferred Shares becomes a shareholder- 5.0% discount

ii. On Preferred Shares Date of Retractions between 25 to 36 months after any holder of Preferred Shares becomes a shareholder - 4.0% discount

iii. On Preferred Shares Date of Retractions between 37 to 48 months after any holder of Preferred Shares becomes a shareholder - 3.0% discount

iv. On Preferred Shares Date of Retractions between 49 to 60 months after any holder of Preferred Shares becomes a shareholder - 2.0% discount

v. On Preferred Shares Date of Retractions after 60 months - 0% discount

(g) **Redemption or Retraction Deposit**: If a Retraction Notice or Redemption Notice is given in respect to any of the Preferred Shares, then an amount sufficient to redeem or purchase those Preferred Shares to be redeemed or purchased shall be deposited by the Corporation with any trust company or chartered bank or be sent to the address specified in the Retraction Notice or Redemption Notice, on or before the date so fixed for the redemption or purchase. The holder shall have no rights against the Corporation in respect to these Preferred Shares except upon surrender of certificates for Preferred Shares, to receive payment thereout of the money so deposited.

5.2 Subscription Procedure

If you wish to purchase Preferred Shares under this Offering, you must complete:

(a) a Subscription Agreement in the form accompanying this Offering Memorandum;

(b) if you are an individual who is an "accredited investor," a Risk Acknowledgement Form (in the form prescribed as 45-106 F9), with accompanying schedules, attached to the Subscription Agreement; and

(c) if you are purchasing as principal more than 10,000 Preferred Shares ($10,000) and are not an "accredited investor" but are an “Eligible Investor” (as defined in NI 45-106), a Risk Acknowledgement Form (in the form prescribed as 45-106 F4) attached to the Subscription Agreement.

The above applicable completed forms must be returned to **WIN Mortgage Investment Corporation, 1194 Jefferson Avenue, Winnipeg, Manitoba R2P 0C7**, together with a certified cheque, money order or bank draft made payable to **"WIN Mortgage Investment Corporation "** for the full amount of the Preferred Shares subscribed for. **The Corporation reserves the right to reject or allot subscriptions, in whole or in part, and to close subscriptions at any time without notice.**

The minimum initial subscription amount per Investor is 10,000 Preferred Shares ($10,000) and the minimum subsequent investment amount is 5,000 Preferred Shares ($5,000), unless the Board exercises its discretion and permits a lesser minimum subscription amount.

The Corporation undertakes to hold all subscription funds in trust until the Closing and will return subscription funds to you without interest or deduction if: (i) you give notice to the Corporation of cancellation no later than midnight on the second business day after you sign the Subscription Agreement; or (ii) if the subscription is not accepted by the Corporation.

The original share certificates will be kept at our registered office, with our minute book, unless you subscribe for your shares through a Registered Plan, in which case the original share certificates are sent to the financial institution administering your Registered Plan. **Currently we are accepting subscription in Registered Plans through Olympia Trust Company only.** We will provide you with a copy of your share certificate for your records on your request.

You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of you and the Corporation. Execution and delivery of the subscription agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See Item 8 – "Risk Factors".

Item 6 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Caution

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

6.2 Description of Income Tax Consequences

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

A MIC may declare a capital gains dividend in an amount equal to the gross amount of its capital gains if it is paid during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year and is entitled to deduct half of such dividend from its taxable income. The combination of the Corporation's deduction for capital gains dividends and the shareholder's deemed capital gain allows the Corporation to flow capital gains through to a shareholder on a tax-efficient basis. The Corporation intends to declare dividends each year in sufficient amounts to reduce its taxable income to nil. To the extent that it does not do so, the Corporation will be taxed at the highest corporate rates.

No deduction may be made by the Corporation in respect of taxable dividends received by the Corporation from other corporations.

Provided the Corporation qualifies as a MIC under the Tax Act throughout the taxation year, any dividends, other than capital gains dividends, paid by the Corporation during a taxation year or within 90 days after the end thereafter to a shareholder who is a resident of Canada will be deemed to be interest income for income tax purposes. Any amount received by the shareholder during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year, as dividend which the MIC has declared as capital gains dividend, will be deemed to be a capital gain for the shareholder from a disposition of capital property. Redemption of a shareholder’s shares by the Corporation may give rise to a deemed dividend and a capital gain or capital loss, depending upon the amount and nature of the redemption proceeds.

6.3 Eligibility for RRSP and Other Plans

The Preferred Shares will be qualified investments for RRSPs at a particular time if the Corporation qualifies as a MIC under the Tax Act 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 or a subscriber under, or a holder of, the particular plan or of any other person who does not deal at arm's length with that person.

RRSPs will generally not be liable for tax in respect of any dividends received. Any dividends paid to a Registered Retirement Savings Plan will be received on a tax-deferred basis whereby tax is not paid by you on such dividend until it is removed from the RRSP. Furthermore, until removed, any income earned on such dividends (for example, interest earned on the dividends) within a RRSP is earned tax-free.

Notwithstanding that the Preferred Shares will be qualified investments for RRSPs, a holder will be subject to a penalty tax if the Preferred Shares held in an RRSP are or become a "prohibited investment" under the Tax Act. The Preferred Shares generally will not be a "prohibited investment" unless the holder of the RRSP does not deal at arm's length with the Corporation, or the holder has a "significant interest" (within the meaning of the Tax

Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the Tax Act.

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 RRSPs. Where an RRSP holds a non-qualified investment, the RRSP will be subject to a tax of 50% of the fair market value of the investment at the time it became a non-qualified investment.

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

Where permitted by the securities legislation of a jurisdiction, the Corporation may pay a commission to Registered Dealers or a referral fee to any finder who refers Subscribers resident in such jurisdiction that results in a sale of securities to such Subscribers under this Offering. The commission/referral fee will not exceed four percent (4%) of the gross proceeds received in connection with the sale of securities to a Subscriber referred by the Registered Dealer or finder and will be paid out of the proceeds attributable to the Preferred Shares sold under this Offering, subject to the discretion of the Board of Directors of the Corporation. Under no circumstances will a commission/referral fee be paid under any type of dividend reinvestment plan or periodic reinvestment plan.

There are no broker warrants or agent's options in connection with this offering.

At present there is no intention to pay any portion of the compensation in Preferred Shares. The Directors of the Corporation may, in their discretion, offer compensation by way or warrants or options in the future.

ITEM 8 RISK FACTORS

Nature of a Mortgage Investment Company

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.

The Corporation advises that prospective Subscribers should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Preferred Shares in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

In addition to the factors set forth elsewhere in this Offering Memorandum, prospective Subscribers should consider the following risks before purchasing Preferred Shares. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Corporation's business and/or the return to the Subscribers.

(a) **Investment Risk** - Risks that are specific to the Preferred Shares being offered under this Offering include the following:

  (i) **Liquidity -** Investment in Preferred Shares should only be considered by Subscribers who do not require short term liquidity and who can hold their investment for the long term. The Preferred Shares are subject to onerous resale restrictions under applicable securities legislation. See Item 10 - "Resale Restrictions", regarding resale restrictions applicable to the Preferred Shares.

(ii) **Retraction Liquidity** - The Preferred Shares have retraction timings, as measured from the date on which the Subscriber is issued the Preferred Shares to the date on which the Subscriber is entitled to call for their redemption by the Corporation. If the Subscriber does not provide the Corporation with the appropriate notice of retraction, the right of retraction is suspended until an additional time period has elapsed. See Item 5.1 - "Securities Offered - Terms of Securities".

The Corporation provides no assurance that any Subscriber will be able to retract any or all of their Preferred Shares at any time. Accordingly, this investment is unsuitable for those prospective Subscribers who may require liquidity.

(iii) **Absence of Management Rights** - The Preferred Shares being sold under this Offering do not carry voting rights, and consequently a Subscriber's investment in Preferred Shares does not carry with it any right to take part in the control or management of the Corporation's business, including the election of directors.

In assessing the risks and rewards of an investment in Preferred Shares, potential Subscribers should appreciate that they are relying solely on the good faith, judgment and ability of the Corporation’s Board to make appropriate decisions with respect to the management of the Corporation, and that they will be bound by the decisions of the Corporation's managers, directors, officers and employees. It would be inappropriate for Subscribers unwilling to rely on these individuals to this extent to purchase Preferred Shares.

(iv) **No Guarantees** - Unlike guaranteed investment certificates (GICs) or money deposited in a bank account, your investment in a MIC is not guaranteed by the Canada Deposit Insurance Corporation, by any other government insurer or by us. There is no guarantee that the Corporation will be able to pay dividends at the target rate or at all. The rate of return to shareholders will vary based on a number of factors such as economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, government policy and regulation, etc. The Preferred Shares are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that statute or any other legislation.

(b) **Issuer Risk** - Risks that are specific to the Corporation include the following:

(i) **MIC Tax Designation -** There can be no assurance that the Corporation will be able to meet the Tax Act's MIC qualifications at all material times.

As a company qualified as a MIC, the Corporation may deduct taxable dividends it pays from its income, and the normal gross-up and dividend tax credit rules will not apply to dividends paid by the Corporation on the Preferred Shares. Rather, the dividends will be taxable in the hands of shareholders as if they had received an interest payment. If for any reason the Corporation fails to maintain its MIC qualification in a particular year, the dividends paid by the Corporation on the Preferred Shares would cease to be deductible from the income of the Corporation for that year and the dividends it pays on the Preferred Shares would be subject to the normal gross-up and dividend tax credit rules. In addition, the Preferred Shares might cease to be qualified investments for trusts governed by RRSPs, deferred profit sharing plans and registered retirement income funds, with the effect that a penalty tax would be payable by the Subscriber.

(ii) **Key Personnel** - The operations of the Corporation are highly dependent upon the continued support and participation of their key personnel. The loss of their services may materially affect the timing or the ability of the Corporation to implement its business plan.

(iii) **Conflict of Interest** - Conflicts of interest may exist, and others may arise, between Subscribers and the directors, officers, managers and the Corporation and their associates and affiliates and the Administrator.

There is no assurance that any conflicts of interest that may arise will be resolved in a manner most favourable to Subscribers. Persons considering a purchase of Preferred Shares pursuant to this Offering must rely on the judgment and good faith of the directors, officers and employees of the Administrator and the Corporation in resolving such conflicts of interest as may arise.

(iv) **Future Operations and Possible Need for Additional Funds** - The Corporation requires significant funds to carry out its business plan. In the event the Corporation is unable to raise sufficient funds by this Offering and/or future and/or other debt or equity financing, the Corporation may have insufficient funds available to it to implement its business plan, and Subscribers may receive no return on their Preferred Shares. Certain uninsurable or uninsured events may also occur which can substantially reduce the ability of the Corporation to carry on business in a profitable manner, including natural or man-made disasters.

There can be no assurances, however, that the Corporation will generate sufficient cash flow from operations or that it will not encounter unexpected costs in connection with implementing its business plan, and as a consequence there can be no assurances that the Corporation will not require additional financing. The Corporation has no current arrangements with respect to any other additional financing, and there can be no assurance that any such additional financing can be obtained on terms acceptable to the Corporation, or at all. Failure to obtain additional financing would likely have a substantial material adverse effect on the Corporation. Moreover, in the event the Corporation were to obtain such additional financing, it could have a dilutive effect on Subscribers' participation in the revenues generated through the Corporation's operations. Also, any security granted to a creditor by the Corporation would rank ahead of the claims of any Preferred Shareholder.

(c) **Industry Risk** - There are also risks faced by the Corporation because of the industry in which it operates and the current economic uncertainties. Real estate investment is subject to significant uncertainties due, among other factors, to uncertain costs of construction, development and financing, uncertainty as to the ability to obtain required licenses, permits and approvals, and fluctuating demand for developed real estate. The anticipated higher returns associated with the Corporation's Mortgages reflect the greater risks involved in making these types of loans as compared to long-term conventional mortgages. Inherent in these loans are completion risks as well as financing risks. In addition, prospective Subscribers should take note of the following:

1. **Insurance** - The Corporation's mortgages will not usually be insured in whole or in part. As well, there are certain inherent risks in the real estate industry, some of which the Corporation may not be able to insure against or which the Corporation may elect not to insure against due to the cost of such insurance. The effect of these factors cannot be accurately predicted.

2. **Priority** - Financial charges for construction and other financing funded by conventional third party lenders may rank in priority to the mortgages registered in favour of the Corporation. In the event of default by the mortgagor under any prior financial charge, the Corporation may not recover any or all of the monies advanced under foreclosure proceedings.

3. **Default** - If there is default on a mortgage, it may be necessary for the Corporation, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing. In those cases, it is possible that the total amount recovered by the Corporation may be less than the total investment, resulting in a loss to the Corporation. Equity investments in real property may involve

fixed costs in respect of mortgage payments, real estate taxes, and maintenance costs, which could adversely affect the Corporation's income.

4. **Yield** - The yields on real estate investments, including mortgages, depend on many factors including economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, legislation, governmental regulation and tax laws. The Corporation cannot predict the effect that such factors will have on its operations.

5. **Competition** - The earnings of the Corporation depend on the Corporation's ability to locate suitable opportunities for the investment and re-investment of the Corporation's funds and on the yields available from time to time on mortgages and other investments. The investment industry in which the Corporation operates is subject to a wide variety of competition from private businesses in Canada and the United States, many of whom have greater financial and technical resources than the Corporation. Such competition, as well as any future competition, may adversely affect the Corporation's success in the marketplace. There is no assurance that the Corporation will be able to successfully maintain its business plan or operate profitably. Existing competitors may have greater financial, managerial and technical resources, and name recognition than the Corporation. Competitors may reduce the interest rates they charge, resulting in a reduction of the Corporation's share of the market, reduced interest rates on loans, and reduced profit margins.

6. **Interest rates** – It is anticipated that the value of the Corporation's investment 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 mortgages comprising the Corporation's investment portfolio. If there is a decline in interest rates (as measured by the indices upon which the interest rates of the Corporation's mortgage assets are based), the Corporation may find it difficult to make a mortgage loan bearing acceptable rates. 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 business, financial condition and results of operations which in turn may adversely affect the Corporation's ability to perform its obligations and its ability to maintain dividends on the Preferred Shares at a consistent and desirable level. Due to the term of the mortgages made by the Corporation and the inability to accurately predict the extent to which the Corporation's mortgages may be prepaid, it is possible that the Corporation may not be able to sufficiently reduce interest rate risk associated with the replacement of such mortgages through new investments in mortgages.

7. **Property values** – Even though the mortgages within the Corporation's portfolio will be secured by real property, the value of that real property may 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, vacancy rates, operating expenses and other factors. The value of income producing real property may also depend on the creditworthiness and financial stability of the borrowers and/or the tenants. While independent appraisals may be provided before the Corporation, on the advice of the board**,** makes a mortgage investment, the appraised values, even when they are reported on an "as is" basis, are not necessarily reflective of the market value of the underlying real property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or making of 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 loan amount may prove to exceed the value of the underlying real property thus resulting in a loan loss if the property must be sold to remedy a mortgage default. 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.

8. **Mortgage renewals** – There cannot be any assurances that any of the mortgages within the Corporation's portfolio from time to time can or will be renewed at the same interest rate and terms at maturity. It is possible that the mortgagor, the mortgagee, or both will choose not to renew such mortgage. Even if the mortgages are renewed, the principal balance of such renewals, the interest rates, the term and conditions will be subject to negotiations between the mortgagor(s), the mortgagee at the time of renewal.

9. **Rate of Return and loan loss** – Alternative financing such as what the Corporation will engage in always carries with it a potential higher loan loss risk. This higher risk is compensated by the higher potential rate of return.

10. **Concentration / Portfolio allocation** – The allocation of mortgage investments in the Corporation's loan portfolio may change by geographic region, type of property and size of mortgage. This will result in the mortgage portfolio being more or less diversified from time to time. The shift of asset allocation may increase or decrease the Corporation's exposure to the constantly changing economic conditions. Also, investments in mortgages are relatively illiquid. Such illiquidity tends to limit the Corporation's ability to vary its portfolio promptly in response to changing economic or investment conditions.

ITEM 9 REPORTING OBLIGATIONS

The Corporation is not a 'reporting issuer' as that term is defined in applicable securities legislation, nor will it become a reporting issuer following the completion of this Offering. As a result, the Corporation will not be subject to the continuous disclosure requirements of such securities legislation, including requirements relating to the preparation and filing of audited annual financial statements and other financial information, the dissemination of news releases disclosing material changes in the business and affairs of the Corporation, and the filing of material change reports. **We are not required to send you any documents on an annual ongoing basis.**

Notwithstanding the above, Subscribers will receive a copy of our audited financial statements annually, and subscribers shall be entitled to request to receive quarterly account statements showing the total number of Shares held; income earned in the preceding six month periods ending August 31, 2019 and February 28, 2020, and thereafter on a quarterly basis for each fiscal quarter; the amount of a Subscriber's dividend (or additional Shares if dividends are reinvested).

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement – For trades in British Columbia, Alberta, Saskatchewan and Ontario

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period – For trades in British Columbia, Alberta, Saskatchewan and Ontario

Unless permitted under securities legislation, you cannot trade the securities before the date that is four (4) months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

Unless permitted under applicable securities legislation in Manitoba, you must not trade the securities 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 securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) You have held the securities for at least 12 months.

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

ITEM 11 PURCHASERS' 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 may cancel your agreement to purchase Preferred Shares by sending a written notice to the Corporation by midnight on the second business day after the date on which your subscription agreement was signed.

11.2 Statutory Rights of Action in the Event of a Misrepresentation/Contractual Rights of Action

Securities legislation in certain provinces and territories of Canada provides purchasers of Preferred Shares under this Offering Memorandum with, in addition to any other right they may have at law, rights of action for damages or rescission, or both, where this Offering Memorandum, any amendments thereto, and, in certain cases, advertising and sales literature used in connection with the offering of the Preferred Shares, contains a misrepresentation.

For the purposes of this section, "**misrepresentation**" means (a) an untrue statement of a fact that significantly effects, or would reasonably be expected to have a significant effect, on the market price or the value of the securities (a "**material fact**"); or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

In some provinces and territories of Canada, a purchaser may have statutory rights of action or rescission which are described in below. In certain provinces, no statutory rights exist but a contractual right of action is offered where the Corporation is required to do so by securities legislation or where the Corporation has determined to do so on a voluntary basis. Any statutory rights of action for damages or rescission described below are in addition to, and without derogation from, any other right or remedy available at law to the purchaser and are subject to the defenses contained in those laws. These rights must be exercised by the purchaser within the time limits set out below. **The following is a general summary and Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the particulars of these rights and/or consult with a legal advisor.**

Rights for purchasers in Ontario

If this Offering Memorandum contains a Misrepresentation, which was a Misrepresentation during the period of distribution, each purchaser in Ontario will be deemed to have relied upon the Misrepresentation and will have a right of action for damages or alternatively, while still the owner of any of the Preferred Shares purchased by the purchaser , for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that:

(a) no person or company will be liable if it proves that the purchaser purchased the Preferred Shares with knowledge of the Misrepresentation;

(b) in the case of an action for damages, the person or company will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Preferred Shares as a result of the Misrepresentation; and

(c) in no case will the amount recoverable in any action exceed the price at which the securities were offered under this Offering Memorandum.

No action may be commenced more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action other than an action for rescission, the earlier of:

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

(ii) 3 years from the date of the transaction that gave rise to the cause of action.

<u>Rights for purchasers in Saskatchewan</u>

If this Offering Memorandum contains a Misrepresentation, each purchaser in Saskatchewan to whom this Offering Memorandum has been sent or delivered and who purchases Preferred Shares, will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase, and the purchaser has a right of action for damages against the Corporation, and, subject to certain additional defences, against directors of the Corporation and persons who have signed this Offering Memorandum, but may elect instead to exercise a right of rescission against the Corporation, in which case the purchaser will have no right of action for damages against the Corporation, directors of the Corporation or persons who have signed this Offering Memorandum, provided that, among other limitations:

(a) in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased Preferred Shares with knowledge of the Misrepresentation;

(b) in an action for damages, the Corporation will not be held liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Preferred Shares as a result of the Misrepresentation relied upon; and

(c) in no case will the amount recoverable under the right of action described above exceed the price at which the Preferred Shares were offered.

In addition no person or company other than the Corporation is liable if the person or company proves that:

(a) the Offering Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the Offering Memorandum and before the purchase of Preferred Shares by the purchaser, on becoming aware of any Misrepresentation in the Offering Memorandum, or amendment thereto, the person or company withdrew the person's or company's consent to the Offering Memorandum, or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a Misrepresentation, or (ii) the relevant part of the Offering Memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore no person or company other than the Corporation is liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company: (i) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed that there had been a Misrepresentation.

Saskatchewan securities legislation also provides: (a) similar rights of action for damages and rescission in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities; (b) where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement; (c) a purchaser with the right to void any purchase agreement and to recover all money and other consideration paid by the purchaser to a vendor for the securities if the securities are sold by a vendor in contravention of Saskatchewan securities legislation; and (d) a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan securities legislation.

In addition, no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of: (i) one year after the date on which the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six years after the date of the transaction that gave rise to the cause of action.

<u>Rights for purchasers in Manitoba</u>

If this Offering Memorandum contains a Misrepresentation, each purchaser in Manitoba to whom this Offering Memorandum has been sent or delivered and who purchases Preferred Shares, will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase, and the purchaser has a right of action for damages against the Corporation, and, subject to certain additional defences, against directors of the Corporation and persons who have signed this Offering Memorandum, but may elect instead to exercise a right of rescission against the Corporation, in which case the purchaser will have no right of action for damages against the Corporation, directors of the Corporation or persons who have signed this Offering Memorandum, provided that, among other limitations:

(d) in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased Preferred Shares with knowledge of the Misrepresentation;

(e) in an action for damages, the Corporation will not be held liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Preferred Shares as a result of the Misrepresentation relied upon; and

(f) in no case will the amount recoverable under the right of action described above exceed the price at which the Preferred Shares were offered.

In addition no person or company other than the Corporation is liable if the person or company proves that:

(a) the Offering Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the Offering Memorandum and before the purchase of Preferred Shares by the purchaser, on becoming aware of any Misrepresentation in the Offering Memorandum, or amendment thereto, the person or company withdrew the person's or company's consent to the Offering Memorandum, or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a Misrepresentation, or (ii) the relevant part of the Offering Memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore no person or company other than the Corporation is liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company: (i) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed that there had been a Misrepresentation.

In addition, no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the date on which the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) 2 years after the date of the transaction that gave rise to the cause of action.

Rights for purchasers in Alberta and British Columbia

If this Offering Memorandum contains a Misrepresentation, which was a Misrepresentation during the period of distribution, an purchaser in Alberta or British Columbia will be deemed to have relied upon the Misrepresentation and will have a right of action for damages or alternatively, while still the owner of any of the Preferred Shares purchased by the purchaser , for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that:

(a) no person or company will be liable if it proves that the purchaser purchased the Preferred Shares with knowledge of the Misrepresentation;

(b) in the case of an action for damages, the person or company will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Preferred Shares as a result of the Misrepresentation; and

(c) in no case will the amount recoverable in any action exceed the price at which the securities were offered under this Offering Memorandum.

No action may be commenced more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action other than an action for rescission, the earlier of:

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

   (ii) 3 years from the date of the transaction that gave rise to the cause of action.

General

The rights of action for rescission or damages described herein are in addition to and without derogation from any right the purchaser may have at law.

The foregoing summaries are subject to the express provisions of the securities legislation in effect in the applicable provinces and territories and the rules and regulations thereunder, and reference is made thereto for the complete text of such provisions.

ITEM 12 FINANCIAL STATEMENTS

The following are the audited financial statements of the Corporation, consisting of a balance sheet, an income statement, statement of retained earnings and a cash flow statement for the most recent fiscal year end dated February 28, 2019.

[Continues on following page.]

Financial Statements of

WIN MORTGAGE INVESTMENT CORPORATION

Years ended February 28, 2019 and 2018

Expressed in Canadian dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
WIN Mortgage Investment Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WIN Mortgage Investment Corporation (the "Company"), which comprise the statement of financial position as at February 28, 2019 and 2018, and the statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2019 and 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

April 1, 2019
Winnipeg, Canada

Chartered Professional Accountants

WIN MORTGAGE INVESTMENT CORPORATION

Statement of Financial Position

As at February 28, 2019 and 2018

(Expressed in Canadian dollars)

	2019	2018
Assets		
Cash	$ 296,277	$ 192,345
Accounts receivable (Note 4)	40,154	117,424
Mortgages receivable (Note 5)	1,667,105	1,101,355
Total assets	$ 2,003,536	$ 1,411,124
Liabilities and Equity		
Liabilities:		
Accounts payable and accrued liabilities (Note 6)	$ 23,183	$ 18,724
Preferred shares (Note 7)	1,836,447	1,313,800
Total liabilities	1,859,630	1,332,524
Equity:		
Share capital (Note 8)	400	400
Retained earnings	143,506	78,200
Total equity	143,906	78,600
Commitments (Note 6 (b))		
Subsequent events (Note 11)		
Total liabilities and equity	$ 2,003,536	$ 1,411,124

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors on April 1, 2019:

Director ______________________

Director ______________________

WIN MORTGAGE INVESTMENT CORPORATION

Statement of Income and Comprehensive Income

Years ended February 28, 2019 and 2018

(Expressed in Canadian dollars)

	2019	2018
Revenue:		
Mortgage interest	$ 201,739	$ 119,880
Lender fees	54,593	46,095
Mortgage fees	2,201	3,192
	258,533	169,167
Expenses:		
Administration fees (Note 6)	44,037	24,973
Interest and bank charges	830	572
Office rent (Note 6)	5,040	4,920
Processing fees (Note 6)	27,300	18,600
Professional fees	26,027	31,007
Regulatory filings	1,679	1,395
	104,913	81,467
Net income before dividends on preferred shares	153,620	87,700
Dividends on preferred shares	88,314	52,658
Net income and comprehensive income for the year	$ 65,306	$ 35,042

See accompanying notes to financial statements.

WIN MORTGAGE INVESTMENT CORPORATION

Statement of Changes in Equity

Years ended February 28, 2019 and 2018

(Expressed in Canadian dollars)

	2019	2018
Share capital - common shares		
Balance, beginning and end of year	$ 400	$ 400
Retained earnings		
Balance, beginning of year	$ 78,200	$ 43,158
Net income and comprehensive income	65,306	35,042
Balance, end of year	$ 143,506	$ 78,200
Total equity, end of year	$ 143,906	$ 78,600

See accompanying notes to financial statements.

WIN MORTGAGE INVESTMENT CORPORATION

Statement of Cash Flows

Years ended February 28, 2019 and 2018

(Expressed in Canadian dollars)

	2019	2018
Cash flow from (used in)		
Operating activities:		
Net income and comprehensive income for the year	$ 65,306	$ 35,042
Changes in the following:		
Accounts receivable	77,270	(96,003)
Accounts payable and accrued liabilities	4,459	(5,443)
	147,035	(66,404)
Investing activities:		
Investment in mortgages receivable	(859,100)	(747,055)
Payments received on mortgages receivable	293,350	329,500
	(565,750)	(417,555)
Financing activities:		
Proceeds from issuance of preferred shares	571,571	618,450
Redemption of preferred shares	(48,924)	(42,000)
	522,647	576,450
Change in cash	103,932	92,491
Cash, beginning of year	192,345	99,854
Cash, end of year	$ 296,277	$ 192,345

See accompanying notes to financial statements.

Supplementary information:

The value of mortgages receivable renewed during the year in the amount of $833,005 (2018 - $389,300) have been excluded from the investment in and payments received on mortgages receivable included in investing activities above as these are non-cash transactions.

1. Nature of Operations

WIN Mortgage Investment Corporation (the "company") is a Mortgage Investment Corporation (MIC) pursuant to Section 130.1(6) of the *Income Tax Act* (Canada) and is incorporated under the laws of the Province of Manitoba effective March 6, 2015. The mailing and office address of its executive office is: 1194 Jefferson Avenue, Winnipeg, MB, R2P 0C7.

As a MIC, the company's focus is on investing its pooled funds into residential mortgages and to provide its shareholders with an acceptable rate of return on their invested capital. It is managements' intention that investments with the company are eligible to be qualifying investments for Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and Tax Free Savings Accounts.

2. Statement of compliance

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

These financial statements for the year ended February 28, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the company's Board of Directors on April 1, 2019.

3. Summary of significant accounting policies

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis except for any financial instruments classified as financial instruments at fair value through profit or loss, which are measured at fair value.

(b) Functional and presentation currency

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

(c) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is included in profit or loss net of any reimbursement.

(d) Borrowing costs

The company capitalizes any borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that these costs will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

3. Summary of significant accounting policies (continued)

(e) Revenue recognition

Interest on mortgages receivable is recognized on the accrual basis, except when a loan is considered impaired. Interest income on impaired loans is recognized when received.

Lender and other fees on mortgages receivable are amortized over the term of the mortgage using the effective interest rate method if the term of the mortgage is greater than 18 months. If the term of the mortgage is 18 months or less, then lender and other fees are recognized when received or receivable and when collection is reasonably assured.

Any prepayment penalties received as a result of mortgage prepayments are recognized as revenue in the period in which the prepayment is received.

(f) Income taxes

It is the intention of the company to qualify as a MIC for Canadian income tax purposes. As such, the company is able to deduct, in computing its income for the taxation year, dividends paid to its shareholders during the year or within 90 days subsequent to year end. The company intends to maintain its status as a MIC and pay dividends to its shareholders in accordance with the rules applicable to MICs pursuant to the *Income Tax Act*. Accordingly, the tax deductibility of the company's distributions of dividends results in the company being effectively non-taxable therefore no provision for current or future income taxes is recorded in these financial statements.

(g) Dividends

Dividends on the company's preferred shares are calculated on a pro-rata basis from the date of issuance and are recognized as an expense on the statement of income and comprehensive income. These dividends are tax deductible distributions of the company's profits and as such they retain the basic characteristics of the income earned in the company. Therefore, these distributions are considered to be interest income for income tax purposes to Canadian recipients.

(h) Financial instruments

(i) Non-derivative financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are recognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as FVTPL which are initially measured at fair value.

Financial assets at fair value through profit or loss

A financial asset is classified as FVTPL if it is considered to be held-for-trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company’s risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

3. Summary of significant accounting policies (continued)

(h) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Held-to-maturity

A financial asset is classified as held-to-maturity if the asset has fixed or determinable payments and fixed maturities that the company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. Any changes to the carrying amount of the asset, including impairment losses, are recognized in other comprehensive income or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified as loans and receivables, held-to-maturity or financial assets at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income or loss and presented within equity in the fair value reserve. Equity instruments that do not have an active market are recorded at cost. When an investment is derecognized, the cumulative gain or loss in other comprehensive income or loss is transferred to profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs except when the mortgage term is 18 months or less in which case transaction costs are expensed. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(ii) Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities classified at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

3. Summary of significant accounting policies (continued)

(h) Financial instruments (continued)

(ii) Non-derivative financial liabilities (continued)

Other financial liabilities

Other financial liabilities including any borrowings are initially measured at fair value, net of transaction costs. However, transaction costs are expensed if they relate to a financial liability that can be demanded within one year of issuance. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

Derecognition of financial liabilities

The company derecognizes financial liabilities when the company's obligations are discharged, cancelled or they expire.

(iii) The company's financial instruments consist of the following:

Financial instrument	Classification	Measurement
Cash	FVTPL	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Mortgages receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Preferred shares	Other financial liabilities	Amortized cost

(i) Mortgages receivable

Mortgages receivable are classified as loans and receivables and are subsequently measured at amortized cost, less any allowances for loan impairment.

Impairment of mortgages receivable is assessed at each reporting date, on a mortgage-by-mortgage basis and specific allowances are recorded if management determines that a mortgage receivable is impaired. An impairment loss is recognized to the extent that the carrying value of a mortgage receivable exceeds its estimated net realizable value. Estimated realizable amounts are determined by the estimated fair market value of the security underlying the mortgages after deducting estimated costs of realization.

The company capitalizes any maintenance and foreclosure costs with the intention of recovering these costs upon subsequent payout of the mortgage provided that sufficient equity is estimated to exist in the underlying security.

(j) Use of estimates and judgments

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from these estimates. Significant areas requiring the use of management estimates and judgments are as follows:

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(j) Use of estimates and judgments (continued)

Allowance for impairment of mortgages receivable

The company reviews mortgages receivable at each reporting date to assess whether an impairment loss should be recognized. In particular, judgment by management is required when estimating the amount and timing of future cash flows when determining any impairment losses. In estimating these cash flows, management makes judgments regarding the borrower's financial situation and the net realizable value of collateral or underlying security. These estimates are based on assumptions involving a number of factors and actual results may differ from these estimates, resulting in future changes to the allowance.

(k) Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of the standards and interpretations issued, which may be applicable to the company at a future date. If applicable, the company intends to adopt those standards when they become effective. The company does not expect the impact of such changes on its financial statements to be significant.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose information relating to leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. This standard is effective for annual periods beginning on or after January 1, 2019.

4. Accounts receivable

	2019	2018
Mortgage interest and lender fees receivable	$ 40,154	$ 16,768
Preferred share subscription receivable	-	100,656
Total accounts receivable	$ 40,154	$ 117,424

The company did not incur any impairment losses during the current or prior year. The carrying value of impaired accounts receivable balances at year end is $Nil (2018 - $Nil).

5. Mortgages receivable

Mortgages receivable as at February 28, 2019 are comprised of 37 (2018 - 28) residential first and second mortgages registered against properties located in Winnipeg, Manitoba and Calgary, Alberta. These mortgages are interest bearing at a weighted average rate of 14.13% (2018 - 14.24%) with terms of 12 months or less and are secured by charges against real property of the borrowers. As at February 28, 2019 and 2018 none of the mortgages are in foreclosure or considered to be impaired. Management does not anticipate any losses on the outstanding mortgages receivable at year end therefore no allowance for loan impairment or losses has been recognized in these financial statements for the current or prior year. The mortgages receivable all mature within 12 months of year end.

(Expressed in Canadian dollars)

6. Related party transactions

(a) Key management personnel compensation

The company did not pay employment based remuneration to its Directors, officers and other members of management for the year ended February 28, 2019 (2018 - $Nil).

(b) Other related party transactions

Included in these financial statements are the following related party transactions with a company related by virtue of shareholders in common and with Directors and individuals related to Directors of the company:

	2019	2018
Administration fees	$ 44,037	$ 24,973
Processing fees	27,300	18,600
Office rent	5,040	4,920
Dividends on preferred shares	20,690	18,737

The company has entered into an administration agreement with a company related by virtue of shareholders in common. Under the terms of the agreement, the company is required to pay the administrator a monthly administration fee equal to 1/12 of 3% of the mortgage receivable balance on the last day of each month, and a mortgage processing fee of a minimum $5,000 to a maximum of $6,250 per month plus applicable taxes or 0.5% of the mortgage receivable balance, as valued by management from time to time, whichever is greater. The company is eligible to receive a discount on the processing fees at the discretion of the administrator.

As at February 28, 2019, included in accounts payable and accrued liabilities are amounts owing for administration fees, processing fees and office rent from related parties in the amount of $18,496 (2018 - $18,219). In addition included in preferred shares are amounts held by Directors and individuals related to Directors of the company in the amount of $208,807 (2018 - $373,755).

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.

7. Preferred shares

The Class B preferred shares are non-voting and the holders are entitled to receive, in each year, non-cumulative dividends as and when declared at the discretion of the company's Board of Directors in preference and priority to any dividends declared on the Class A common shares. The Class B preferred shares are redeemable at the option of the holder and are therefore presented as financial liabilities in these financial statements.

The holders of the preferred shares may redeem their shares for the lesser of the original purchase price and the net realizable value of the company's assets available to be distributed at the time of redemption. Any redemption of preferred shares redeemed within five years from the date of subscription is subject to a discount ranging from 2% to 5%. The aggregate redemption amount payable by the company on any given redemption date shall be limited to 10% of the company's net assets, excluding preferred shares liability, calculated at the most recent fiscal year end. If the redemption amount is in excess of the limited amount, the amount redeemed will be determined on a pro rata basis using the number of preferred shares subject to the redemption such that the total redemption is equal to the limited amount. The company shall not be obligated to redeem any preferred shares if such a redemption is greater than 25% of the issued and outstanding Class B preferred shares as at the beginning of the fiscal year during which the last redemption took place and if such a redemption would result in the loss of the company's status as a Mortgage Investment Corporation pursuant to the *Income Tax Act*.

(Expressed in Canadian dollars)

7. **Preferred shares** (continued)

Changes in issued preferred shares are summarized below:

Year ended February 28, 2019	Number of Class B Preferred shares	Amount
Balance, beginning of year	1,313,800	$ 1,313,800
Issuance of shares (i)	571,571	571,571
Redemption of shares (ii)	(48,924)	(48,924)
Balance, end of year	1,836,447	$ 1,836,447

Year ended February 28, 2018	Number of Class B Preferred shares	Amount
Balance, beginning of year	737,350	$ 737,350
Issuance of shares (iii)	618,450	618,450
Redemption of shares (iv)	(42,000)	(42,000)
Balance, end of year	1,313,800	$ 1,313,800

(i) During the year ended February 28, 2019 the company issued 571,571 Class B preferred shares at $1 per share for proceeds of $571,571.

(ii) During the year February 28, 2019 the company redeemed 48,924 Class B preferred shares at $1 per share for a total payment of $48,924.

(iii) During the year ended February 28, 2018 the company issued 618,450 Class B preferred shares at $1 per share for proceeds of $618,450.

(iv) During the year ended February 28, 2018 the company redeemed 42,000 Class B preferred shares at $1 per share for a total payment of $42,000.

8. **Share capital**

(a) Authorized:

Authorized share capital consists of an unlimited number of Class A common voting shares and an unlimited number of Class B preferred non-voting shares.

(b) Changes in issued common shares are summarized below:

Year ended February 28, 2019	Number of Class A common shares	Amount
Balance, February 28, 2018 and February 28, 2019	400	$ 400

Year ended February 28, 2018	Number of Class A common shares	Amount
Balance, February 28, 2017 and February 28, 2018	400	$ 400

9. Financial instruments

(a) Risk management and hedging activities

In the normal course of operations, the company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The company does not meaningfully participate in the use of financial instruments to mitigate these risks. The company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Currency risk

The company does not hold any assets or liabilities denominated in a foreign currency therefore is not exposed to currency risk.

(ii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company does not hold financial instruments traded in an active market and therefore is not exposed to price risk.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company. The company is exposed to credit risk on its cash, accounts receivable and mortgages receivable balances. Cash is held with an established Canadian financial institution and management believes the risk of loss to be remote. In order to reduce its risk of loss on its mortgages receivable and mortgage interest and lender fees receivable, the company ensures that the collateral value of the underlying security fully protects the first and second mortgage advances and that there is a viable exit strategy for each mortgage receivable. An allowance for impaired mortgages is established based on factors surrounding the delinquency of specific accounts and other information available at each reporting date. As at February 28, 2019, the total allowance for impaired mortgages and accounts receivable is $Nil (2018 - $Nil).

The carrying amount of financial assets recorded in the financial statements in the amount of $2,003,536 (2018 - $1,411,124) represents the maximum exposure to credit risk at the reporting date.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. The company manages the liquidity risk resulting from accounts payable and accrued liabilities, share redemptions and dividends payable by investing in mortgages with short term maturities. The company commits to mortgages receivable only on an assured cash availability.

(v) Interest rate risk

Management is of the opinion that the company is not exposed to significant interest rate risk due to the short term nature of its interest generating assets.

(b) Sensitivity analysis

As at February 28, 2019 the company has cash and mortgages receivable subject to interest rate risk of $1,963,382 (2018 - $1,293,700). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by approximately $19,634 (2018 - $12,937).

(Expressed in Canadian dollars)

9. Financial instruments (continued)

(c) Fair values, carrying amounts and changes in fair value

The fair values of the company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into the following three levels:

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level two includes inputs that are observable other than quoted prices included in level one.
Level three includes inputs that are not based on observable market data.

The company's financial instruments within the fair value hierarchy as at February 28, 2019 are as follows:

	Level 1	Level 2	Level 3
Cash	$ 296,277	$ -	$ -

The company's financial instruments within the fair value hierarchy as at February 28, 2018 are as follows:

	Level 1	Level 2	Level 3
Cash	$ 192,345	$ -	$ -

10. Capital management

The company's principal source of capital is from the issuance of common and preferred shares. The company's capital management objective is to obtain sufficient capital to maintain its operations based on current activities and expected business developments in the future while focusing on its primary objectives of preserving shareholder capital and generating dividends to preferred shareholders. The company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage loan investment opportunities, the availability of capital and anticipated changes in general economic conditions. The company is required to comply with Section 130.1(6) of the *Income Tax Act* (Canada) which defines the requirements for Mortgage Investment Corporations. These guidelines include specific externally imposed capital requirements which the company must comply with. Management is of the opinion that the amounts and changes in the company's capital is readily determinable from information provided in these financial statements.

11. Subsequent events

(a) For the year ended February 28, 2019 the company had taxable income in the amount of $150,249 (2018 - $88,314) and within 90 days subsequent to year end, the company declared dividends in the amount of $150,249 (2018 - $88,314) on the Class B preferred shares resulting in no taxes owing pursuant to Section 130.1(6) of the *Income Tax Act*. Dividends are expensed in the year they are declared.

(b) Subsequent to year end, the company issued 7,000 (2018 - 27,619) Class B preferred shares for total proceeds of $7,000 (2018 - $27,619).

ITEM 13 DATE AND CERTIFICATE

Dated April 30, 2019.

This offering memorandum does not contain a misrepresentation.

WIN MORTGAGE INVESTMENT CORPORATION

Per: ____________________
Harjinder Pal Singh, President and Director

Per: ____________________
Harmesh Aggarwal, Vice-President and Director

Per: ____________________
Rajwinder Singh Lottey, Director

Per: ____________________
Trevor Winzoski, Director