

FORM 45-106F2
OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Date: May 31, 2011

The Issuer **SUN COUNTRY MORTGAGE INVESTMENT CORP.**
(the "Corporation" or "we")

Name: Sun Country Mortgage Investment Corp.

Head Office: Suite 200, 136 - 17th Avenue N.E.
Calgary, Alberta T2E 1L6

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Currently Listed or Quoted: **These securities do not trade on any exchange or market**

Reporting Issuer: No

SEDAR filer: No



The Offering

Securities Offered: 10,000,000 preferred shares (the "Preferred Shares").

Price per Security: \$1.00 per Preferred Share.

Minimum Offering: **There is no minimum offering. You may be the only purchaser.**

Maximum Offering: 10,000,000 Preferred Shares (\$10,000,000).

Funds available under the Offering may not be sufficient to accomplish our proposed objectives.

Minimum Subscription

Amount: There is no minimum subscription amount an investor must invest.

Payment Terms: Bank draft or certified cheque payable to "Miller Thomson LLP, in Trust"

Proposed Closing Date: One or more dates prior to an estimated final closing date of May 30, 2012.

Income Tax Consequences: There are important tax consequences to these securities. See Item 6 - "Income Tax Consequences and RRSP Eligibility".

Selling Agent: There is no selling agent. However, the Corporation will pay a commission to registered dealers, exempt market dealers, investment fund managers or restricted portfolio manager (collectively, "Registered Dealers") or a referral fee to finders in those jurisdictions where permitted by applicable securities legislation, up to a maximum of 7% of the aggregate purchase price of the Preferred Shares sold to subscribers referred by Registered Dealers or finders in such jurisdictions.

Resale Restrictions

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

Purchaser's Rights

You 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". The Preferred Shares are offered for sale within the Provinces of Alberta, British Columbia, Saskatchewan and Manitoba pursuant to exemptions from the prospectus requirements contained in NI 45-106. **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".**

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NOTE REGARDING FORWARD LOOKING STATEMENTS

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

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

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

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

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

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

- the risks of the competition within the Corporation’s business;
- the risk 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;
- the Corporation's ability to implement its business strategy.

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

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

GLOSSARY OF TERMS

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

"**CRA**" means the Canada Revenue Agency.

"**Closing**" means completion of this Offering. The Corporation may have more than one closing, with the final closing to occur no later than May 30, 2012.

"**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".

"**Manager**" means CMS Financial Management Services Ltd. of Calgary, Alberta, as described in Item 2.2 - "Business of the Corporation - Our Business".

"**Management and Administration Agreement**" means the agreement between the Corporation and CMS Financial Management Services Ltd.

"**MIC**" means a Mortgage Investment Corporation as defined under the Tax Act.

"**NI 31-103**" means National Instrument 31-103 *Registration Requirements and Exemptions*.

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

"**Offering**" means the offering of the Preferred Shares by this offering memorandum.

"**Power of Attorney**" means the power of attorney given by each Subscriber to the Corporation upon execution of the Subscription Agreement.

"**Preferred Shares**" means the preferred shares in the capital stock of the Corporation.

"**Promoter**" means Gerry Macdonald.

"**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 subscription agreement, including the power of attorney between the Corporation and each Subscriber to subscribe for Preferred Shares.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

PURPOSE OF THE OFFERING

The purpose of this offering is to provide 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 proceeding year. Dividends other than capital gains dividends, which are paid by the Corporation on the Preferred Shares to Shareholders will be included in Shareholders' incomes as interest.

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

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

Using the following table, disclose the net proceeds of the offering and the funds that will be available to the issuer after the offering.

		Assuming min. offering	Assuming max. offering
A	Amount to be raised by this offering	\$0	\$10,000,000
B	Selling commissions and fees ⁽¹⁾	\$0	\$700,000
C	Estimated offering costs (e.g., legal, accounting, audit)	\$40,000	\$40,000
D	Available funds: D = A - (B+C)	(\$40,000)	\$9,260,000
E	Additional sources of funding required	\$0	\$0
F	Working capital deficiency	\$0	\$0
G	Total: G=(D+E) – F	(\$40,000)	\$9,260,000

Note:

(1) Assuming commissions of seven percent (7%) are paid for all Preferred Shares sold.

1.2 Use of Available Funds

We will use the available funds as follows:

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"	\$9,260,000

1.3 Reallocation

The Corporation intends to spend the available funds as stated. However, there may be circumstances where a reallocation of funds may be necessary. Funds will only be reallocated for sound business reasons.

ITEM 2 BUSINESS OF THE CORPORATION

2.1 Structure

We are a corporation incorporated under the *Business Corporations Act* of Alberta ("ABCA") on December 5, 2001. Our head office is located at Suite 200, 136 - 17th Avenue N.E., Calgary, Alberta, T2E 1L6 and our registered and records office is also located at Suite 200, 136 - 17th Avenue N.E., Calgary, Alberta, T2E 1L6.

2.2 Our Business

We are a mortgage investment corporation ("MIC"). We are in the business of investing in various mortgages as described below under the heading "Operating Policies of the Corporation" (collectively, the "Mortgages") as security for loans (the "Mortgage Loans") primarily secured by residential real estate and commercial real estate in the Provinces of Alberta, British Columbia, Saskatchewan and Manitoba.

We actively seek or originate Mortgages for investment. To the extent that our funds are not invested in Mortgages from time to time, they will be held in cash deposited with First Calgary Savings and Credit Union Ltd. or will be invested by the Manager on our behalf in short-term deposits, savings accounts or government guaranteed income certificates so that we maintain a level of working capital for our ongoing operations considered acceptable by the directors of the Corporation.

We intend to conduct business in the Provinces of Alberta, British Columbia, Saskatchewan and Manitoba. We may expand our business into other Provinces, and if so we will apply, if necessary, to be registered under any corporate and applicable mortgage brokering legislation in order to carry on business as a MIC in such Provinces.

The Manager will be responsible for directing the business, operations and affairs of the Corporation and will be responsible for the management and administration of the funds of the Corporation. The Manager will establish a credit committee of the Corporation (the "Credit Committee"), comprised of two nominees of the Manager to review all investment opportunities presented to the Corporation and the Credit Committee will review such opportunities and make recommendations to the Corporation as to which of such opportunities to invest in and which not to invest in. The agreement (the "Management and Administration Agreement") between us and the Manager sets out this relationship and requires the Manager to comply with and observe all laws that apply to us, our investments and our securities. See Item 2 - "Business of the Corporation – Management and Administration Agreement" and Item 2 - "Business of the Corporation - The Manager". The Manager will obtain opinions from its professional advisors as it deems necessary in connection with such compliance. Accordingly, we do not have and do not expect to have any employees other than the officers listed under Item 3 - "Directors, Management, Promoters and Principal Holders".

As a MIC, we will be allowed to deduct dividends that we pay from our income. We intend to pay out all of our net income and net realized capital gains as dividends within the time period specified in the Tax Act and as a result do not anticipate paying any income tax.

The Tax Act's MIC criteria permit revenue sources other than residential mortgages, including among other things equity investments in real estate, investments in stocks and securities of Canadian companies, and mortgage lending in respect of commercial real estate. Notwithstanding its ability to invest in the array of investments allowed under the Tax Act, it is the Corporation's policy to invest its non-CDIC (short-term bank deposits) holdings in mortgages secured by Canadian real estate property, primarily "residential" real estate property. A MIC's only permitted undertaking under the Tax Act criteria is the investing of its funds, and it is specifically prohibited from managing and developing real property.

Investment Objective and Strategy

Our mission is to be a Calgary-based MIC, providing the highest quality of service and products to our clients within Alberta, British Columbia, Saskatchewan and Manitoba.

Our principal investment objective is to provide holders of Preferred Shares with sustainable income while preserving capital for distribution or re-investment. We will seek to achieve this principal investment objective by investing in mortgages organized by the Manager. Our income will primarily consist of interest

received from loans secured by the mortgages and lenders fees. See Item 2 - "Business of the Corporation – Management and Administration Agreement" and Item 2 - "Business of the Corporation - The Manager".

Operating Policies of the Corporation

For the purposes of this section, the following definitions will apply:

Residential Mortgages	means mortgages that are principally secured by single family houses, and multi-family residential properties.
Commercial Mortgages	means mortgages that are principally secured by multi-family housing projects, residential land developments, commercial land developments, and income-producing properties that have retail, commercial, service, office and/or industrial uses and residential land development.
First Mortgage	means a mortgage having priority over all other security interests registered against the same real property used to secure such mortgage for which the principal amount, at the time of commitment, does not exceed 85% of the appraised value of the underlying real property securing the mortgage as determined by a qualified appraiser.
Second Mortgage	means a mortgage that has second place priority over all other security interests registered against the same real property used to secure such mortgage for which the principal amount, at the time of commitment, does not exceed 85% of the appraised value of the underlying real property securing the mortgage as determined by a qualified appraiser.
Third Mortgage	means a mortgage that has third place priority over all other security interests registered against the same real property use to secure such mortgage for which the principal amount, at the time of commitment, does not exceed 85% of the appraised value of the underlying real property securing the mortgage as determined by a qualified appraiser.
Short-term Residential Mortgages	means short-term mortgages secured by residential real estate. Generally, the term for these mortgages will range from six months to one year.
Short-term Mortgage Construction Loans	Short-term mortgage construction loans generally finance the construction of single family residential property and multi-family residential projects and/or commercial income-producing properties such as shopping centres, office and industrial buildings, and in some circumstances the acquisition of sites for such properties. In most cases, payment of advances on a construction loan is conditional upon the completion of various stages of construction, as indicated by reports of professional engineers, architects or quantity surveyors. Generally, the term for these mortgages will range from six months to two years.
Short-term Mortgage Development Loans	A mortgage development loan is normally used to finance the acquisition of land and the installation and construction thereon of roads, drainage and sewer systems, utilities and similar improvements. Development loan advances are made pursuant to a stipulated schedule after an inspection and review of the project's progress by the lender or its agents and the furnishing of reports by professional engineers, architects or quantity surveyors. In some instances, development loans may be made to finance the acquisition of more land than will be improved immediately, or land the development of which is contemplated at a later date. Generally, the term for these mortgages will range from six months to two years.

<p>Short-term and Intermediate-term Bridging Mortgage Loans</p>	<p>These loans are primarily made for the purpose of enabling an owner of a completed residential purchase or sale or a substantially completed income-producing property to obtain working capital for other business opportunities or to defer arranging long-term financing for a project in order to secure long-term mortgage terms at a later date. Short-term loans are generally for terms of three months to twelve months; intermediate-term loans are generally for terms between twelve and eighteen months and may provide the partial amortization of principal during the term.</p>
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Subject always to the Corporation's Articles of Incorporation, including any amendments thereto from time to time, the provisions of the *Income Tax Act* (Canada) and any other applicable law, the Corporation's investments shall be governed by the following policies, guidelines and criteria, as the case may be:

- (a) the Manager shall attempt to build the Corporation's mortgage portfolio with the following general characteristics:
 - (i) property type and geographical diversification;
 - (ii) short-term loans, intermediate-term loans;
 - (iii) payment schedules primarily of interest and principal, as well as interest only: and
 - (iv) loans in Canadian dollars primarily on Alberta-based real estate, but may also include loans in Canadian dollars secured on real estate situated within the Provinces of British Columbia, Saskatchewan and Manitoba.
- (b) the Corporation may invest in Short-term Residential Mortgages, Short-term Mortgage Construction Loans, Short-term Mortgage Development Loans and Short-term and Intermediate-term Bridging Mortgage Loans;
- (c) the Corporation may invest in Residential Mortgages, however Commercial Mortgages may be considered;
- (d) investments in mortgages shall generally be in a minimum amount of \$10,000 and a maximum amount of \$50,000, but larger investments may be considered on a case by case basis;
- (e) investments of the Corporation may be made either by advancing the full amount of a mortgage or by purchasing interests in mortgages and syndicated mortgages approved by the Manager;
- (f) the Corporation may invest in First, Second and Third Mortgages;
- (g) mortgages may contain clauses permitting the mortgagor, when not in default, to renew the mortgage for additional terms at the sole discretion of the Corporation;
- (h) an investment in, or acquisition of, a mortgage with a single borrower shall not exceed 20% of the cost of the Corporation's assets (a single borrower shall include persons known to be affiliated, as that term is defined in the *Business Corporations Act* (Alberta), with associates of any single borrower);
- (i) the Corporation may borrow funds in order to acquire or invest in specific mortgage investments or mortgage portfolios in amounts up to five (5) times the book value of the Corporation's portfolio of First and Second Mortgages; provided, the interest rate is less than the interest rate charged by the Corporation on the corresponding mortgage investment or portfolios acquired with such borrowed funds;

- (j) dividends will be declared and paid to the shareholders of the Corporation in compliance with the Corporation's Articles;
- (k) all correspondence to shareholders of the Corporation and mortgagors to the Corporation will be made under the Corporation's branding and letterhead;
- (l) all general communications to shareholders of the Corporation and mortgagors to the Corporation will be approved by the Manager;
- (m) all mortgages, promissory notes, caveatable interests and any other security instruments will, prior to funding, be registered on the title of the approved property, as applicable, as the Manager shall direct;
- (n) the Corporation may only make investments in such jurisdictions as the Manager and the Corporation, as applicable, are lawfully permitted to do so;
- (o) the Corporation shall not make any investment that would result in the Corporation not qualifying as a mortgage investment corporation pursuant to the *Income Tax Act* (Canada);
- (p) the Corporation may not cause the Corporation to invest for the purposes of exercising control over management of any issuer of securities; and the Corporation to make short sales of securities or maintain a short position in any securities;
- (q) the Corporation may not act as an underwriter in the capital stock of any corporation;
- (r) the Corporation may not guarantee the securities or obligations of any person;
- (s) to the extent that the Corporation's funds are not invested in mortgages from time to time, they will be held in cash deposited with a Canadian chartered bank or will be invested by the Corporation in short term deposits, savings accounts, or guaranteed investment certificates of a Canadian chartered bank or government guaranteed income certificates or treasury bills so as to maintain a level of working capital for ongoing operations considered acceptable by the Manager; and
- (t) the Corporation will not make any investments that would result in the Manager developing or managing real property on the behalf of the Corporation.

Notwithstanding the foregoing, the Manager shall have the discretion to amend any of the above investment policies, guidelines and criteria, from time to time, if the Manager deems such amendments to be in the best interests of the Corporation.

If, due to a change in the provisions of the *Income Tax Act* (Canada) or other applicable legislation, any of the above provisions require amendment in order to comply with such change in legislation, the Manager may make such change and such change will be binding on the Corporation.

The Tax Act's MIC Criteria

Section 130.1 of the Tax Act sets out the criteria governing a MIC, and in summary says 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 Canada;

- (ii) shares of companies not resident in Canada; or
 - (iii) real property or leasehold interests outside 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 of company's assets must be comprised of:
- (iv) loans secured on houses or on property included in a housing project, as those terms are defined in the *National Housing Act* (Canada) ;
 - (v) deposits insured by the Canada Deposit Insurance Corporation ("CDIC") (or Quebec DIC);
 - (vi) deposits in a credit union; or
 - (vii) cash.
- (e) No more than 25% of the cost amount of the company's assets consist of real property (excluding any real property acquired by foreclosure).
- (f) The company did not exceed, generally speaking, a 3:1 debt-equity ratio, or a 5:1 ratio if more than two-thirds 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.

Section 130.1 of the *Income 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 believes that this leverage opportunity is integral to its dividend performance, and the Corporation will maximize its leverage opportunity under the Act. 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.

As a MIC under the Tax Act, the Corporation is entitled to deduct from its income the amount of taxable dividends it pays to its shareholders. The Corporation's Articles of Incorporation require it to pay out as dividends substantially all of its net income and net realized capital gains every year, and as a result the Corporation anticipates that it will not be liable to pay income tax in any year. Effectively, the Corporation will act as a conduit of profit to its shareholders. Refer to Item 6 - "Income Tax Consequences".

Investment Fund Manager

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

NI 31-103 and the Notice make it clear that there are 2 criteria which trigger IFM registration requirements in respect to MIC’s such as the Corporation. The first is that the entity must be an investment fund and the second is that the entity must have the power to direct and exercise the responsibility of directing the business and affairs of the investment fund. In respect of the first criterion, this applies to the Corporation’s circumstances thus the Corporation is an investment fund. As for the second criterion, the Corporation’s board of directors has the power to direct and exercise the responsibility of directing the business and affairs of the Corporation. Thus, under the provisions of NI 31-103, the Corporation is required to be registered as an IFM. The Corporation has obtained advice from its legal counsel that, pursuant to an appropriately drafted agreement, it is possible for the Corporation to transfer the power to direct and exercise the responsibility of directing the business and affairs of the Corporation to a registered IFM and thus avoid the requirement for the Corporation to register itself as an IFM. Based on this advice, the board of directors of the Corporation have made the decision to engage a third party to act as the Corporation’s manager such that the manager has all the power to direct and exercise the responsibility of directing the business and affairs of the Corporation.

This third party is the Manager, which is itself registered as an IFM under Alberta securities laws. By entering into the Management and Administration Agreement, the Manager is now fully empowered to direct and exercise the responsibility of directing the business and affairs of the Corporation. This is a very broad power. The Corporation and its board of directors will no longer have this power. This means that **all** decisions relating to the management and administration of the business and affairs of the Corporation, including **all** decisions relating to investments to be entered into by the Corporation will now be made by the Manager. The Corporation will retain limited powers, mostly related to fundraising activities. By entering into the Management and Administration Agreement, the Corporation has relieved itself from the requirement to be registered under Canadian securities laws as an IFM. A detailed description of the Management and Administration Agreement is contained below and in Item 2.7 – Material Agreements.

The Corporation and the Manager are related parties in that a nominee of the Manager owns twenty five percent (25%) of the voting shares of the Corporation and has one (1) nominee on the board of directors of the Corporation. Conflicts of interest shall be governed by the provisions of the *Business Corporations Act* (Alberta).

Management and Administration Agreement

We have entered into the Management and Administration Agreement with CMS Financial Management Services Ltd. dated May 31, 2011. Pursuant to the Management and Administration Agreement, the Manager must carry out its responsibilities in a proper and business like manner to industry standards and at all times in compliance with all laws applicable to the Corporation and the Manager.

The Manager will be responsible for directing the business, operations and affairs of the Corporation. The Manager will also be responsible for the management and administration of the funds of the Corporation. The Corporation shall pay (or reimburse to the Manager) forthwith upon the Manager incurring the same, all reasonable and necessary expenses incurred by the Manager in connection with the provision of the Services hereunder, including but not limited to out-of-pocket expenses such as insurance, legal, and other professional fees and disbursements and property management fees and costs associated with maintaining or improving any property.

We will be responsible for paying the costs, including legal fees and disbursements due as a result of collecting or attempting to collect any amounts owing or in arrears on any of its mortgage investments, or any portion thereof pro rata, including foreclosure or other court proceedings. The Manager shall have the right, but not the obligation, to retain solicitors, appraisers and other experts and to appoint receivers or receiver managers and

to advance such funds as it considers reasonable or necessary to preserve, protect, defend or improve the Corporation's interest in any such investments, including mortgages and real property;

The Management and Administration Agreement is effective from May 31, 2011 and shall terminate on notice, certain events of default or by agreement between the parties. In no event shall the term of the Management and Administration Agreement exceed 21 years from May 31, 2011. The Management and Administration Agreement may be terminated by us in the event that:

- (a) a bankruptcy, receivership or liquidation order is issued against the Manager;
- (b) the Manager makes an assignment for the benefit of creditors or commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada);
- (c) the Manager assigns the Management and Administration Agreement or its rights or its obligations thereunder to any person who is not an affiliate, as defined in the ABCA, of the Manager without the prior written consent of the Corporation;
- (d) the Corporation gives the Manager one year prior written notice of its intention to terminate this Agreement;
- (e) the Manager commits a breach or default under the Management and Administration Agreement not related to the payment of any money to be paid by the Manager to us and the same is not cured within 30 days of the Manager receiving notice thereof; or
- (f) the Manager commits a breach or default under the Management and Administration Agreement related to the payment of any money to be paid by the Manager to us and the same is not cured within 15 days of the Manager receiving notice thereof.

The Manager may terminate the Management and Administration Agreement in the event that:

- (a) a bankruptcy, receivership or liquidation order is issued against us;
- (b) the Corporation makes an assignment for the benefit of its creditors or commit any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada);
- (c) the Manager gives us one year's prior written notice of intention to terminate the Management and Administration Agreement.;
- (d) the Corporation commits a breach or default under the Management and Administration Agreement not related to the payment of any money to be paid by the Manager to the Corporation and the same is not cured within 10 days of the Corporation receiving notice thereof; or
- (e) the Corporation commits a breach or default under the Management and Administration Agreement related to the payment of any money to be paid by the Corporation to the Manager and the same is not cured within 15 days of the Corporation receiving notice thereof.

The Management and Administration Agreement may also be terminated by the mutual consent of the parties.

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

- (a) a misrepresentation or breach of any direct or indirect representation or warranty made by the Manager or the Corporation to the common and preferred shareholders of the Corporation;
- (b) any failure by the Corporation to comply with applicable legislation in connection with the sale of securities in the Corporation to the common and preferred shareholders of the Corporation; and
- (c) any failure or default of a borrower of the Corporation or any failure or defect in the mortgage security or any other security securing any loan, the result of which is that the Shareholders suffers any loss.

The Manager shall indemnify and hold harmless the Corporation from and against any and all claims, actions, suits, proceedings, demands, assessments, judgments, losses, damages, liabilities, expenses, costs (including all legal fees and costs on a solicitor and his own client basis) to which the Corporation, may be put or suffer as a result of performing its duties under the Management and Administration Agreement.

CMS Real Estate Ltd.

CMS Real Estate Ltd. ("CMS") identifies new mortgage investment opportunities for the benefit of the Corporation through its network of contacts in the builder, developer and mortgage broker industries. CMS develops the Mortgage portfolio through the following activities:

- (g) Direct Origination - CMS originates mortgages through direct negotiations with borrowers such as individuals, real estate developers and property owners: and
- (h) Agency Origination - CMS utilizes various professionals such as lawyers, appraisers, bankers, brokers and developers to assist in identifying and evaluating Mortgage investment opportunities.

It is also intended that CMS will attempt to develop the mortgage portfolio of the Corporation through purchases in the secondary market, which will include purchased mortgages at market yields from, among other, financial institutions, investment dealers and pension funds, all of whom will be at arm's-length to CMS, the Manager, the Corporation and their respective directors, officers and promoters.

The Manager

The Manager is a corporation duly incorporated on March 23, 2011 under the laws of the Province of Alberta and is in good standing under the *Business Corporations Act* (Alberta). The Manager has been extra-provincially registered within the Provinces of British Columbia, Saskatchewan and Manitoba.

2.3 *Development of Business*

Sun Country Mortgage Investment Corp. was duly incorporated on December 5, 2001, with the intent of accumulating funds from the sale of our Preferred Shares for the purposes of lending the funds secured by Mortgages. Since that time the income produced from the Mortgages has and will be distributed to both the common and the preferred shareholders of the Corporation.

2.4 *Long Term Objectives*

Our mission is to be a Calgary-based MIC providing the highest quality of service and mortgage products to our clients within Alberta, British Columbia, Saskatchewan and Manitoba.

Our principal investment objective is to provide holders of Preferred Shares with sustainable income while preserving capital for distribution or re-investment. We will seek to achieve this principal objective by investing in Mortgages. Other than the short term costs identified below, we do not anticipate any significant costs associated with ongoing operations. Our income will primarily consist of interest received on the loans secured by the Mortgages and lenders' fees.

2.5 *Short Term Objectives and How We Intend to Achieve Them*

Our 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 in Alberta as described above in Item 2 - "Business of the Corporation- Investment Objectives and Strategies".

The following table discloses how the issuer intends to meet the objectives:

What we must do and how we will do it to complete	Target completion date or, if not known, number of months to complete	Our cost to complete
While there is really nothing the Corporation "must" do to carry out its business plan, since it already has a substantial capital base invested in compliance with the Tax Act's MIC criteria, the Corporation's goal over the next 12 months is to raise a further \$10,000,000 in equity capital.	12 months	See Item 1 - "Use of Available Funds"

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 agreements to which we are currently a party:

- (a) We have entered into the Management and Administration Agreement with the Manager for the provision of a wide range of services including, but not limited to, the services of an IFM, manager and administrator. See Item 2 - "Business of the Corporation – Investment Fund Manager" and "Business of the Corporation - Management and Administrative Agreement".
- (b) We have entered into consulting agreements (the "Consulting Agreements") with Pro-test Services Ltd., Devco Management Ltd., CMS Real Estate Ltd., Winstar Corporation, 702653 Alberta Ltd., Salco Ventures Ltd. and Greg P. Shannon, Q.C.
- (c) We have Referral Fee Agreement with CMS Financial Management Services Ltd.

The Management and Administration Agreement as noted in Section 2.7(a) above is dated effective as of May 31, 2011 with the Manager whereby the Manager has agreed to direct the business, operations and affairs of the Corporation and to manage and administer the funds of the Corporation. As referred to above in Item 2 - "Business of the Corporation – Investment Fund Manager", the Manager will provide to the Corporation the services of an IFM as that term is defined in NI 31-103. The services to be provided by the Manager will include, but will not be limited to, the following:

1. directing the business, operations and affairs of the Corporation;
2. organizing and reorganizing, as the case may be, the Corporation;
3. managing and administrating the investments that the Corporation makes including the power to make all decisions relating to the administration of the investments;
4. establishing and maintaining an effective compliance system in order that the Corporation meets its ongoing fitness requirements of applicable securities laws;

5. maintaining an effective compliance system in order that the Corporation continues to meet all proficiency and compliance requirements of applicable securities laws;
6. establishing and overseeing the operations of the Credit Committee;
7. managing and administering all of the Corporation's funds, which includes the right to have exclusive signing authority for each of the Corporation's bank accounts;
8. taking enforcement action on behalf of the Corporation as required in regards to its security, in the event of default, including foreclosing on mortgaged properties; and
9. retaining solicitors, appraisers and other experts and to appoint receivers or receiver managers.

The Manager will receive a fee from the Corporation equal to 1.50% of the face amount of the mortgage assets of the Corporation plus the cost amount of any real estate owned by the Corporation net of priority indebtedness related to such real estate as determined on the last day of the month, and calculated on a monthly basis and paid on the last day of each said month.

The Management and Administration Agreement is effective from May 31, 2011 and shall terminate on notice, certain events of default or by agreement between the parties. In no event shall the term of the Management and Administration Agreement exceed 21 years from May 31, 2011.

The Consulting Agreements as noted in Section 2.7(b) above are dated effective May 31, 2011 and are with officers, directors and promoters of the Corporation. The following is a brief summary of the terms and conditions of the Consulting Agreements:

- (i) The term of the Consulting Agreements are for an indefinite period commencing May 31, 2011. The Consultants shall provide general consulting services to the Corporation as requested from time to time by the Corporation. The Consultants shall make their services available to the Corporation upon the Corporation giving it a reasonable notice of its need for such services.
- (ii) In consideration of the provisions of the consulting services, the Consultants shall be entitled to receive fees based on the Consultants' standard rates, as the Consultants establish them from time to time (the "Consulting Fees"). The Consulting Fees paid to the Consultants under each of the Consulting Agreements shall be limited in the following manner:
 - (A) on an annual basis, the Consulting Fees paid the Consultants shall not be greater than twenty five percent (25%) of the Profit (as hereinafter defined) of the Corporation ("Maximum Fee Amount"). The Profit of the Corporation shall be calculated following the preparation of the Corporation's financial statements for each fiscal year. The Maximum Fee Amount minus the aggregate amount of the Consulting Fee already paid to the Consultants during the applicable fiscal year shall be paid to the Consultants within forty five (45) days following the preparation of the Corporation's financial statements for each fiscal year. In the event that the aggregate amount of the Consulting Fees already paid to the Consultants during the applicable fiscal year is greater than the Maximum Fee Amount, the Consultants shall repay such excess amount to the Corporation within forty five (45) days following the preparation of the Corporation's financial statements for each fiscal year; and
 - (B) for the purposes of this section, "Profit" shall mean the Corporation's revenue for the fiscal year in question, after deduction of the following:

- (1) all expenses incurred by the Corporation (determined in accordance with generally accepted accounting principles) including, without restricting the generality of the foregoing, management fees, rent, operating expenses, staff salaries and benefits, stationery costs, postage and courier charges, legal, accounting and other professional fees, sales commissions, financing costs, telephone and fax charges, insurance costs, appraisal fees, costs associated with director's meetings, advertising and promotion costs, credit bureau charges, license fees and dues, business taxes and all general office expenses;
- (2) all amounts payable to the Class B Shareholders of the Corporation as a Fixed Dividend (as defined in the Corporation's Articles of the Corporation) for the year in question; and
- (3) all amounts payable to the Class A Shareholders of the Corporation as a Matching Dividend, as defined the Corporation's Articles of Incorporation for the year in question,

but before deduction of any amount payable under any other consulting agreement between the Corporation and any other consultant.

For further clarity with respect to the above-noted Consulting Agreements:

- (A) Pro-test Services Ltd. is a Corporation owned and controlled by Robert Dressler, a shareholder of the Corporation;
- (B) Devco Management Ltd. is a corporation owned and controlled by James Devlin, a director of the Corporation;
- (C) CMS Real Estate Ltd. is a corporation owned and controlled indirectly by Gerry Macdonald, the President and a director of the Corporation and Maureen Macdonald, through The Macdonald Family Trust;
- (D) Winstar Corporation is a Private Alberta Corporation controlled by Mr. Frederick A. Youck, as the majority shareholder and director of the Corporation;
- (E) 702653 Alberta Ltd. is a corporation owned and controlled by Mr. Ben Flahr, the vice-president and a director of the Corporation; and
- (F) Salco Ventures Ltd. is a corporation owned and controlled by Mr. Lawrence T. Salloum, Q.C., a director of the Corporation.

A brief summary of the terms and conditions of the Referral Fee Agreement, as noted in Section 2.7(c) above, is as follows:

- (i) the term of the agreement is for an indefinite period commencing December 6, 2001 and cancellable by the Corporation upon thirty (30) days' written notice.
- (ii) the referral fee payable for any person or corporation purchasing Preferred Shares of the Corporation through CMS Financial Management Services Ltd. shall be 3-7% of the total dollar amount of the aggregate Preferred Share purchase price upon completion of the purchase.

Copies of all material agreements may be reviewed by appointment during normal business hours during the course of this Offering at the Corporation's head office located at: Suite 200, 136 - 17th Avenue N.E., Calgary, Alberta, T2E 1L6.

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 and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer in the most recently completed financial year (or, if the issuer has not completed a financial year, since inception) and the compensation anticipated to be paid in the current final year	Number, type and percentage of securities of the issuer held after completion of minimum offering	Number, type and percentage of securities of the issuer held after completion of maximum offering
Gerry Macdonald Calgary, Alberta	Director, President and Promoter since December 5, 2001	Nil	20 Class "A" Voting Common Shares (20%) ⁽¹⁾ 132,874 Preferred Shares ⁽²⁾ (1.9%)	20 Class "A" Voting Common Shares (20%) ⁽¹⁾ 132,874 Preferred Shares ⁽²⁾ (1.9%)
Ben Flahr Cochrane, Alberta	Director, Vice-President since December 5, 2001	Nil	10 Class "A" Common Voting Shares (10%) ⁽⁵⁾ 175,080 Preferred Shares ⁽⁵⁾ (2%)	10 Class "A" Common Voting Shares (10%) ⁽⁵⁾ 175,080 Preferred Shares ⁽⁵⁾ (2%)
Frederick A. Youck Calgary, Alberta	Director since December 5, 2001	Nil	20 Class "A" Common Voting Shares (20%) ⁽⁶⁾ 600,000 Preferred Shares ⁽⁶⁾ (8.4%)	20 Class "A" Common Voting Shares (20%) ⁽⁶⁾ 600,000 Preferred Shares ⁽⁶⁾ (8.4%)
James Devlin Calgary, Alberta	Director since December 5, 2001	Nil	10 Class "A" Common Voting Shares (10%) ⁽⁴⁾ 0 Preferred Shares ⁽⁴⁾ (>.1%)	10 Class "A" Common Voting Shares (10%) ⁽⁴⁾ 0 Preferred Shares ⁽⁴⁾ (>.1%)
Lawrence T. Salloum, Q.C. Kelowna, B.C.	Director since December 5, 2001	Nil	25 Class "A" Voting Common Shares (25%) 0 Preferred Shares ⁽³⁾ (>.1%)	25 Class "A" Voting Common Shares (25%) ⁽³⁾ 0 Preferred Shares ⁽³⁾ (>.1%)
Robert Dressler Vernon, B.C.	N/A	Nil	10 Class "A" Common Voting Shares (10%) ⁽⁷⁾ 0 Preferred Shares ⁽⁷⁾ (>.1%)	10 Class "A" Common Voting Shares (10%) ⁽⁷⁾ 0 Preferred Shares ⁽⁷⁾ (>.1%)
Maureen Macdonald Calgary, Alberta	Corporate Secretary since April 23, 2008	Nil	N/A ⁽¹⁾⁽²⁾ 0 Preferred Shares ⁽¹⁾⁽²⁾ (>.1%)	N/A ⁽¹⁾⁽²⁾ 0 Preferred Shares ⁽¹⁾⁽²⁾ (>.1%)

Notes:

- (1) Gerry Macdonald owns 10 Class "A" Voting Common Shares personally and 10 Class "A" Common Shares jointly with his spouse, Maureen Macdonald.
- (2) Gerry Macdonald owns 132,874 Preferred Shares through CMS Real Estate Ltd., an Alberta corporation that he controls, 10 Preferred Shares personally, Maureen Macdonald owns 10 Preferred Shares personally, Jessica Macdonald owns 28,074 Preferred Shares personally and Gerry Macdonald Jr. owns 9,917 Preferred Shares personally.
- (3) Lawrence T. Salloum, Q.C. indirectly owns 25 Class "A" Common Voting Shares through Salco Ventures Ltd., a British Columbia corporation that he controls, and 0 Preferred Shares personally.
- (4) James Devlin owns 10 Class "A" Common Voting Shares jointly with his spouse, Lynne Devlin and 10 Preferred Shares, personally, as well Lynne Devlin owns 10 Preferred Shares personally and his daughter Gina Devlin owns 10 Preferred Shares, personally.
- (5) Ben Flahr owns 10 Class "A" Common Voting Shares and 175,080 Preferred Shares through 702653 Alberta Ltd., an Alberta corporation that he controls. Ben Flahr owns no Preferred Shares personally and his spouse Marcelle Flahr owns 25,041 Preferred Shares personally.
- (6) Frederick A. Youck owns 20 Class "A" Common Voting Shares and 450,000 Preferred Shares indirectly through Winstar Corporation, an Alberta corporation that he controls, and 150,000 Preferred Shares personally through a Registered Retirement Income Fund.
- (7) Robert Dressler owns 10 Class "A" Common Voting Shares jointly with his spouse, Marion Dressler, and 10 Preferred Shares, personally. His wife, Marion Dressler, also owns 10 Preferred Shares, personally.

3.2 Management Experience

The following table discloses the principal occupations of our directors and senior officers over the past five years.

Name	Principal occupation during last 5 years
Gerry Macdonald ⁽¹⁾	Founding Director and President of CMS Real Estate Ltd., a real estate and mortgage brokerage company since 1983. President and Director of Sun Country Mortgage Investment Corp. since December 5, 2001. Also, Gerry Macdonald is the President and Director of: Crossroads-DMD Mortgage Investment Corporation; DMD Mortgage Investment Corporation; DMD II Mortgage Investment Corporation; and DMD III Mortgage Investment Corporation; DMD IV Mortgage Investment Corporation; and DMD V Mortgage Investment Corporation. Gerry Macdonald is also the President and Director of CMS Financial Management Services Ltd., an investment fund management company incorporated on March 23, 2011.
Ben Flahr ⁽¹⁾	Ben Flahr is the Vice-President and a Director of Sun Country Mortgage Investment Corporation and has held the positions of Vice-President, Director and Shareholder in Crossroads-DMD-DMD Mortgage Investment Corporation since 2000. Ben is retired now, but from 1997 to 2008 he was a licensed mortgage broker with CMS Real Estate Ltd. Ben also was a Business Broker, selling oil field service companies.
Frederick A. Youck ⁽¹⁾	Since 1993, President and Director of Winstar Corporation, a private Alberta Incorporated Company. As well, Mr. Youck was a Joint Venture Partner in 360522 Alberta Ltd., a private Alberta commercial real estate projects in Calgary, and a Director of Sun Country Mortgage Investment Corp. since 2001.
James Devlin	Treasurer, Director and shareholder in Sun Country Mortgage Investment Corporation. President and has been involved in the ownership of Devco Management Ltd. since 1992. He is the Secretary/Treasurer and a shareholder of DMD Mortgage Investment Corporation since 1992, DMD II Mortgage Investment Corporation; DMD III Mortgage Investment Corporation; DMD IV Mortgage Investment Corporation; DMD V Mortgage Investment Corporation and Crossroads-DMD Mortgage Investment Corporation since the inceptions.
Lawrence T. Salloum,	Associated with Salloum Watts, Barristers and Solicitors of Kelowna, B.C. Mr. Salloum

Name	Principal occupation during last 5 years
Q.C.	obtained his law degree from the University of Saskatchewan in 1953 and was called to the Saskatchewan Bar in 1955 and called to the British Columbia Bar in 1966. In 1966 he was appointed Queen's Counsel in the Province of Saskatchewan.

Note:

(1) Denotes member of the Corporation's Credit Committee.

The following is a summary of the relevant experience of the directors and senior officers of the Corporation.

Gerry Macdonald - Director and President

Mr. Macdonald has been the President and Director and involved in the ownership group of CMS Real Estate Ltd. since 1983. CMS Real Estate Ltd. is a full service commercial real estate and mortgage brokerage firm. Services that CMS Real Estate Ltd. can offer are as follows: commercial real estate brokerage, property management, residential and commercial mortgage brokerage as well as development syndication.

Mr. Macdonald is also the President, a Director and Shareholder of each of the following MIC's: DMD Mortgage Investment Corporation; DMD II Mortgage Investment Corporation; DMD III Mortgage Investment Corporation; DMD IV Mortgage Investment Corporation; DMD V Mortgage Investment Corporation; and Crossroads-DMD Mortgage Investment Corporation. These other mortgage investment corporations are active in the Calgary marketplace.

Ben Flahr - Vice-President and Director

Mr. Flahr is presently a shareholder, Vice-President and Director in Crossroads-DMD Mortgage Investment Corporation and is now retired as a mortgage broker with CMS Real Estate and as a business broker selling 'oil field service' companies since 1997. In 1996 Mr. Flahr was with Canadian Business Brokers selling oil field service companies; in 1995 with T.I.W. selling oil field service company products. From 1992 - 1993 he was with Foxridge Homes in New Home Sales.

Mr. Flahr is a Canadian citizen, married and has obtained the following certificates from Mount Royal College in Calgary, Alberta; Computer Course, Time Management and Sales Seminar, New Homes Development Systems Course, Real Estate 1000, Mortgage Brokers 1000.

Frederick A. Youck - Director

Since 1993, Mr. Youck has been the President and a Director of Winstar Corporation, a private Alberta company that has investments in public market securities, private operating companies in commercial and residential real estate, specialty foods, mortgages, leasing and supplies consulting, administrative and investment services..

Mr. Youck was also a Joint Venture Partner in 360522 Alberta Ltd., a private Alberta corporation involved in commercial real estate projects in Calgary, as well as a Director of Sun Country Mortgage Investment Corp. since 2001.

James Devlin - Director

Mr. Devlin is the President of Devco Management Ltd. and involved in the ownership of Devco Management Ltd. since 1992. Devco Management Ltd. is a company involved in the management of mortgage investment corporations.

Mr. Devlin is the Secretary/Treasurer and a shareholder of Sun Country Mortgage Investment Corp. and DMD Mortgage Investment Corporation, DMD II Mortgage Investment Corporation; DMD III Mortgage Investment Corporation; DMD IV Mortgage Investment Corporation; DMD V Mortgage Investment Corporation; and Crossroads-DMD Mortgage Investment Corporation.

Lawrence T. Salloum, Q.C. - Director

Lawrence Salloum, resides in Kelowna, B.C. Mr. Salloum obtained his law degree from the University of Saskatchewan in 1953 and was called to the Saskatchewan Bar in 1955 and called to the British Columbia Bar in 1966. In 1966 he was appointed Queen's Counsel in the Province of Saskatchewan.

Mr. Salloum practices in the areas of real estate, banking, corporate law in the firm of Salloum Watts, Barristers and Solicitors of Kelowna, B.C. Mr. Salloum is also past president of the Kelowna Chamber of Commerce and a former director of the Canada Port Authority.

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer, 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 at May 31, 2011, the following loans from the directors, management, promoters and principal holders of the Corporation are outstanding:

- (1) on March 17, 2010, Lawrence T. Salloum loaned the Corporation \$250,000 at an annual interest rate of 10% paid monthly. The loan was subsequently repaid to Lawrence T. Salloum in November, 2010.
- (2) on March 25, 2010, Lawrence T. Salloum loaned the Corporation \$300,000 at an annual interest rate of 10% paid monthly.

ITEM 4 CAPITAL STRUCTURE

4.1 Share Capital

Description of security	Number authorized to be issued	Price Per Security	Number outstanding as at May 31, 2011	Number outstanding after minimum offering	Number outstanding after maximum offering
Common Shares	Unlimited	\$1.00	100	100	100
Preferred Shares	Unlimited	\$1.00	7,026,365 ⁽¹⁾	7,026,365	17,026,365

Note:

- (1) Total issued and outstanding Preferred Shares as at May 31, 2011 takes into consideration all subscriptions received, Preferred Share stock dividends issued and Preferred Share redemptions from the Corporation's inception.

4.2 Long Term Debt

The Corporation has no outstanding long-term debt.

4.3 *Prior Sales*

The following table sets out particulars of the Preferred Shares issued from January 1, 2010 to May 31, 2011.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
January 1 to December 31, 2010	Class B Preferred	1062101	\$1.00	\$1062101
June 30, 2010	Class B Preferred	210968	\$1.00	\$210968 (1)
December 31, 2010	Class B Preferred	222891	\$1.00	\$222891 (1)
January 1 to May 30, 2011	Class B Preferred	185000	\$1.00	\$185000
TOTALS		1,680,960		\$1,680,960

Notes:

(1) Preferred Shares issued in lieu of cash dividends and bonuses or as a stock dividend or a re-issuance of shares on a partial redemption. Therefore, no funds were received by the Corporation for these Preferred Shares.

ITEM 5 SECURITIES OFFERED

5.1 *Terms of Securities*

The Corporation is offering the Preferred Shares for sale within the Provinces of Alberta, British Columbia, Saskatchewan and Manitoba pursuant to prospectus exemptions and registration exemptions, where applicable, in the securities legislation of such jurisdictions, up to 10,000,000 Preferred Shares at a price of \$1.00 per share.

Subscriptions for Preferred Shares will be received subject to rejection in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. There may be one or more closings, with the final closing to occur no later than May 30, 2012. **There is no minimum Offering. Therefore, you may be the only purchaser under this Offering.**

The rights and restrictions attaching to the Preferred Shares are as follows:

Voting Rights

Holders of the Preferred Shares shall not be entitled to receive notice of, or to vote at any meeting of the shareholders of the Corporation unless otherwise provided by the ABCA.

Dividend Entitlement

The holders of any Preferred Shares shall be entitled to receive fixed cumulative dividends in an amount equal to 10% of the redemption amount of their Preferred Shares per annum in priority to and to the exclusion of the holders of any other class of shares (the "Fixed Dividend") and subject to the rights of the holders of the Common Shares to receive a "Matching Dividend", the holders of the Preferred Shares shall be entitled to share equally on a share for share basis with the holders of the Common Shares and any dividends declared in excess of the Fixed Dividend and the Matching Dividend. The Fixed Dividend shall accrue on each issued Preferred Share from the date of issuance and subject to the ABCA, compounded quarterly and paid semi-annually not in advance. No dividend shall be declared or paid or set aside unless and until the Fixed Dividend shall have been declared and paid or set aside on all outstanding Preferred Shares. In the event of liquidation, dissolution or winding up of the Corporation, the holders of the Preferred Shares shall be entitled to receive, before distribution of any part of the

assets of the Corporation among the holders of any other class of shares, an amount for each Preferred Share then issued and outstanding equal to the aggregate redemption amount calculated as at the effective date of such liquidation, dissolution or winding up, but such holders shall not be entitled to share any further in the distribution of the profits, property or assets of the Corporation. For purposes of this section, the redemption amount for each Preferred Share shall be \$1.00 and the aggregate redemption amount for each Preferred Share shall be the total of the following amounts:

- (i) the redemption amount;
- (ii) the aggregate of any Fixed Dividends accrued but not declared for the Preferred Shares; and
- (iii) the aggregate of any dividends declared but unpaid for that Preferred Share.

For income tax purposes, the Corporation intends to distribute as dividends substantially all of its net earnings. See Item 6 - "Income Tax Consequences and RRSP Eligibility".

Redemption Rights

Subject to the provisions of the Article and applicable securities laws (if any), a holder of Preferred Shares may with respect to any Preferred Shares that have been registered in the name of the holder ("Redeemable Shares"), by giving 18 months' advance written notice to the Corporation (the "Redemption Notice") (**or such sooner notice, provided however, that the directors of the Corporation so unanimously agree to a shorter redemption period**); request that the Corporation redeem the whole or any part of the Redeemable Shares held by such holder. Upon receipt by the Corporation of the Redemption Notice, the holder of Redeemable Shares shall thereafter cease to have any rights with respect to the Redeemable Shares tendered for redemption (other than to receive the redemption payment). All rights to the pro rata share of the 10% of the net profits for the Corporation are waived. The Preferred Shares shall be considered to be tendered for redemption on the date the Corporation has, to the satisfaction of the Directors, received the Redemption Notice (the Notice Date").

As a condition of such redemption, the Corporation shall be willing to receive the following amounts as an administrative charge:

- (iv) 3% of the redemption amount where the Preferred Share is redeemed after the first anniversary of the date of its issuance but before the second anniversary of such issuance;
- (v) 2% of the redemption amount where the Preferred Share is redeemed after the second anniversary date of its issuance but before the third anniversary date of its issuance;
- (vi) 1% of the redemption amount where the Preferred Share is redeemed after the third anniversary of the date of its issuance but before the fourth anniversary of the date of its issuance; and
- (vii) Nil, where the Preferred Share is redeemed after the fourth anniversary of the date of its issuance.

Notwithstanding anything else contained in the Articles of Incorporation, no distribution shall be made to the holders of shares of the Corporation if such distribution would result in a violation of any provision of the ABCA or in the Corporation having insufficient Net Assets to redeem the Preferred Shares then outstanding. For purposes of this section, "Net Assets" means the amount for which the assets of the Corporation could be realized in cash at the time of the distribution less the liabilities of the Corporation at the time and "Distribution" means any declaration, payment or disbursement to the holders of any shares of the Corporation then outstanding including dividends in cash or in specie or the purchases, redemption or other retirement of any outstanding shares except when such is paid out of the proceeds of a fresh issue of shares for the purposes of the redemption.

The Corporation will not redeem any Preferred Shares for which Redemption Notices are given, if (i) redemption of the aggregate number of Preferred Shares subject to the Redemption Notices would result in the Corporation having redeemed 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 Redemption Notices are given); or (ii) redemption of the aggregate number of Preferred Shares subject to the Redemption Notices given in a calendar month would result in the Corporation having redeemed a number of Preferred Shares on the corresponding Date of Redemption which is greater than 5% of the Preferred Shares issued and outstanding (as at the beginning of the fiscal year during which such Redemption Notices are given). **The Directors may, in their sole discretion, waive either or both of the aforementioned limitations for any Date of Redemption, and failing such waiver, Preferred Shares which are subject to Redemption Notices given in any one calendar month will be redeemed on a basis which is pro rata to the number of Preferred Shares subject to such Redemption Notices. The Redemption of Preferred Shares is governed by the availability of liquid assets to complete the Redemption of all the shares for which the Corporation has received Redemption Notices and if payments are restricted due to this reason, the payments will be distributed pro rata over the next then proceeding months until fully redeemed.**

For more information, subscribers are encouraged to review the Articles of Incorporation of the Corporation by appointment only during normal business hours during the course of this Offering at the Corporation's business office situated at Suite 200, 136 - 17th Avenue N.E., Calgary, Alberta, T2E 1L6.

Constraints on Transferability

Paragraph 130.1(6)(d) of the Tax Act stipulates that to qualify as a MIC, a Corporation must have at least twenty (20) shareholders and no one (1) shareholder may be a "specified shareholder", as such term is defined in the Tax Act, of the Corporation.

The Tax Act states that a trust governed by a registered pension plan or a deferred profit sharing plan is counted as four (4) shareholders for purposes of determining the number of shareholders and one (1) shareholder for purposes of determining if a shareholder is a "specified shareholder".

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

As the Corporation is not currently a "reporting issuer" in the selling jurisdictions or in any other jurisdiction, the Preferred Shares are subject to severe resale restrictions pursuant to applicable securities law. See Item 10 – "Resale Restrictions".

5.2 Subscription Procedure

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

- (1) if the Preferred Shares are sold by a Registered Dealer:
 - (a) a Subscription Agreement for Sales by Registered Dealers annexed hereto as Schedule "A" and the attached Representation Letter if the Subscriber as an "accredited investor" (Appendix "1" to Schedule "A");
 - (b) a Risk Acknowledgement Form for Sales by Registered Dealers, if the Subscriber is resident in a jurisdiction other than Ontario and not an "accredited investor" (Schedule "B" annexed hereto); and
 - (c) an Eligible Subscriber Status Certificate for Sales by Registered Dealers, if the Subscriber is resident in Alberta, Saskatchewan or Manitoba and is purchasing more than 10,000 Preferred Shares (\$10,000) and is not an "accredited investor" (Schedule "C" annexed hereto);

and return the applicable completed forms to the Corporation prior to May 30, 2012, together with a certified cheque, money order or bank draft made payable to "**Miller Thomson LLP, in Trust**" for the full amount of the Preferred Shares you wish to purchase. 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 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; and in any event no later than May 30, 2012.

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 *Income Tax Consequences*

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

6.2 *Income Tax Ruling*

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

As of this date, the following is Corporation's management's fair and reasonable summary of the principal Canadian federal income tax consequences of acquiring, holding and disposing of the Preferred Shares by a subscriber who, at all relevant times, is a resident of Canada, deals with the Corporation at arm's length, and who acquires and holds the Preferred Shares as capital property. Subscribers to whom the Preferred Shares might not constitute capital property may elect, in certain circumstances, to have such property treated as capital property by making the election permitted by section 39(4) of the Tax Act. This summary is not applicable to any holder of Preferred Shares which is a "financial institution" as defined in section 142.2 of the Tax Act or to any holder of Preferred Shares with an interest in which is a "tax shelter investment" for the purposes of the Tax Act.

This summary is based upon the facts set out in this offering memorandum, the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current published administrative practices of the Canada Revenue Agency ("CRA"). This summary assumes that any tax proposals will be enacted as currently proposed but does not take into account or anticipate any other changes in law by legislative, governmental or judicial action and does not take into account tax legislation or considerations of any province, territory or foreign jurisdiction.

The summary contained in this section is of a general nature only and is not exhaustive of all possible Canadian federal income tax consequences. It is not intended to be and should not be interpreted as legal or tax advice to any particular subscriber. You should consult with your own tax advisors regarding the income tax consequences to you of acquiring, holding and disposing of the Preferred Shares including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary is based on the assumption that the Corporation meets certain conditions, which are imposed by the Tax Act on the Corporation in order for the Corporation to qualify as a MIC thereunder. These conditions will generally be satisfied if, throughout a taxation year of the Corporation:

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

- (b) the Corporation's only undertaking was the investing of funds and it did not manage or develop any real property;
- (c) no debts were owed to the Corporation by non-residents unless such debts are secured on real property situated in Canada;
- (d) the Corporation did not own shares of non-resident corporations;
- (e) the Corporation did not hold real property or leasehold interest located outside of Canada;
- (f) the Corporation did not loan funds where the security for such loans is real property located outside of Canada;
- (g) the cost amount of the Corporation's property represented by Mortgages on houses or on property within a housing project (as those terms are defined in the *National Housing Act*), together with cash on hand and deposits with a bank or any other corporation whose deposits are insured by the Canada Deposit Insurance Corporation, Regle de l'assurance depots au Quebec or a credit union, (collectively, the "Qualifying Property") was at least 50% of the cost amount to it of all of its property;
- (h) the cost amount of real property (including leasehold interests therein but excluding real property acquired as a consequence of foreclosure or defaults on a Mortgage held by the Corporation) owned by the Corporation did not exceed 25% of the cost amount to it of all of its property;
- (i) the Corporation had at least 20 shareholders (in its first taxation year the corporation must have at least 20 shareholders on the last day of that year) and no person would have been a "specified shareholder" of the Corporation at any time in the taxation year;
- (j) holders of Preferred Shares had a right, after payment to them of their preferred dividends, and payment of dividends in a like amount per share to the holders of the Common Shares to participate *pari passu* with the holders of common shares in any further payment of dividends; and
- (k) the Corporation's liabilities did not exceed three times the amount by which the cost amount to it of all of its property exceeded its liabilities where at any time in the year the cost amount to it of its Qualifying Property is less than $\frac{2}{3}$ of the cost amount to it of all of its property, or, where throughout the taxation year the cost amount to it of its Qualifying Property equalled or exceeded $\frac{2}{3}$ of the cost amount of all of its property, the Corporation's liabilities did not exceed five times the amount by which the cost amount to it of all of its property exceeded its liabilities.

It is intended, and this summary assumes, that these requirements will be satisfied so that the Corporation will qualify as a MIC at all relevant times. If the Corporation were not to qualify as a MIC, the income tax consequences would be materially different from those described below.

Taxation of the Corporation

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. As a MIC is deemed to be a public Corporation, no capital dividends can be paid by the Corporation. However, a MIC may declare a capital gains dividend in an amount equal to the gross of its capital gains and is entitled to deduct a portion of such dividend from its taxable income. As discussed below, a capital gains dividend is taxed in the hands of a shareholder as a capital gain arising from a notional disposition of capital property. The combination of the Corporation's deduction for capital gains dividends and the shareholder's deemed capital gain will allow the Corporation to flow capital gains through to a shareholder on a tax efficient basis. As a public corporation, the Corporation will be subject to tax at the highest corporate rates. However, the Corporation intends to declare dividends and capital gains dividends each year in sufficient amounts to reduce its taxable income to nil.

Taxation of Shareholders

Dividends other than capital gains dividends, which are paid by the Corporation on the Preferred Shares will be included in shareholders' incomes as interest. Capital gains dividends will be treated as realized capital gains of shareholders, and will be subject to the general rules relating to the taxation of capital gains. **THE NORMAL GROSS UP AND DIVIDEND TAX CREDIT RULES WILL NOT APPLY TO DIVIDENDS PAID BY THE CORPORATION TO AN INDIVIDUAL AND TRUSTS ON A PREFERRED SHARE AND SHAREHOLDERS THAT ARE CORPORATIONS WILL NOT BE ENTITLED TO DEDUCT THE AMOUNT OF DIVIDENDS PAID BY THE CORPORATION FROM THEIR TAXABLE INCOME.**

The cost to a subscriber of Preferred Shares acquired pursuant to this offering will equal the purchase price of the Preferred Shares plus the amount of any other reasonable costs incurred in connection therewith. This cost will be averaged with the cost of all other Preferred Shares held by the subscriber to determine the adjusted cost base of each Preferred Share.

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

Fifty (50%) percent of any capital gain realized by a Shareholder (including capital gains deemed to be realized as a result of a receipt of a capital gains dividend) will be included in the Shareholder's income under the Tax Act as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss realized in a taxation year may be deducted against any taxable capital gains realized by the shareholder in such year, in the three preceding taxation years or in any subsequent taxation year.

The taxable capital gains realized by a shareholder that is an individual may give rise to alternative minimum tax depending upon the shareholder's circumstances. A Shareholder that is a "Canadian Controlled Private Corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including amounts in respect of interest and taxable capital gains. The 6 2/3% tax is to be added to such corporation's refundable dividend tax on-hand account and will be eligible for refund at a rate of \$1.00 for every \$3.00 of dividends paid by the Corporation.

6.3 *Eligibility for Investment by Deferred Income Plans*

The income tax information herein was reviewed by Meyers Norris Penny LLP, Chartered Accountants, Calgary, Alberta, and is based on the current provisions of the Tax Act, the regulations thereunder and known administrative practices of the Canada Revenue Agency. Meyers Norris Penny LLP has reviewed certain financial information provided to them. They have not made any independent verification of the information provided but have representation from management as to the facts. In order for the preferred shares to be qualified investments for a trust governed by a Registered Retirement Savings Plan, LIRA or LRIF (collectively, a "RRSP"), Registered Education Savings Plan ("RESP"), Tax Free Savings Accounts, Deferred Profit Sharing Plan or a Registered Retirement Income Fund ("RRIF") (collectively a "Deferred Income Plan") if at a particular time 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, an employer or a subscriber or a holder of, as the case may be, under the relevant Deferred Income Plan or any other purpose who does not deal at arm's length with that person. Deferred Income Plans will generally not be liable for tax in respect of any dividends received from the Corporation.

A Deferred Income Plan is subject to a special tax under Part XI.1 and XI.01 of the Tax Act if the Plan holds property that is not a qualified investment.

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

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

Not all securities are eligible for investment in a registered retirement savings plan ("RRSP") or a deferred income plan. Investors who wish to contribute the investment to a RRSP or deferred income plan should consult your own professional advisers to obtain advice on the RRSP or a deferred income plan eligibility of these securities.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

Where permitted by securities legislation of a jurisdiction, the Corporation will 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, at the discretion of the Directors, be between three percent (3%) and seven percent (7%) 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. If the Offering is fully subscribed for and the Corporation pays out the maximum possible commissions, the Corporation will pay out \$700,000 in commissions.

ITEM 8 RISK FACTORS

This is a speculative Offering. The purchase of Preferred Shares involves a number of risk factors and is suitable only for Subscribers who are aware of the risks inherent in the real estate industry and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on a Subscriber's investment.

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) **No Market for Preferred Shares** - There is no market through which the Preferred Shares may be sold and the Corporation does not expect that any market will develop pursuant to this Offering or in the future. Accordingly, an investment in Preferred Shares should only be considered by Subscribers who do not require liquidity. 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 are retractable, meaning that Subscribers have the right to require the Corporation to redeem them, upon appropriate advance notice from the Subscriber to the Corporation. The different classes of Preferred Shares have different 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. Retraction and redemption of the Preferred Shares is subject to the Corporation having access to sufficient excess cash, or other liquid assets, and being in compliance with applicable corporate and securities legislation, and is subject to the terms in this Offering Memorandum, all as determined solely by the Corporation. Retraction and redemption of the Preferred Shares is also subject to the discretion of the directors to act in the best interests of the MIC under the Tax Act. 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 an 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 Manager 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 and the Manager's directors, officers and employees. It would be inappropriate for Subscribers unwilling to rely on these individuals to this extent to purchase Preferred Shares.

- (iv) **Lack of Separate Legal Counsel** - The Subscribers, as a group, have not been represented by separate counsel. Neither counsel for the Corporation nor counsel for the Manager purport to have acted for the Subscribers nor to have conducted any investigation or review on their behalf.

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

- (i) **MIC Tax Designation** - Under the Corporation's articles, the Corporation's directors are required to use their commercial best efforts to ensure that the Corporation qualifies as a MIC pursuant to the Tax Act. As well, the Corporation's Articles of Incorporation grant the directors the discretion to reject any applications for stock dividends or share subscriptions, transfers, redemptions or retractions where in the view of the directors such would not be in the Corporation's best interests as a MIC under the Tax Act.

There can be no assurance, however, 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) **Reliance on CMS Financial Management Services Ltd. as Manager** - Pursuant to the terms and conditions of the Management and Administration Agreement as described in Item 2.7 above, the Manager exercises a very high degree of control over the business, operations and affairs of the Corporation and has complete control over the management and administration of the funds of

the Corporation. The Manager has undertaken to exercise the power to direct and exercises the responsibility of directing the business and affairs of the Corporation. As a result, any change in ownership of the Manager, bankruptcy or insolvency proceedings involving the Manager or litigation commenced against the Manager will have a material impact on the Corporation and its investments and ultimately could have a material impact on the return of principal and interest associated with the Preferred Shares.

- (iii) **Key Personnel** - The operations of the Corporation and the Manager 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.

The Corporation's and Manager's management teams consist of several key people. In order to manage the Corporation and the Manager successfully in the future, it may be necessary to further strengthen their management teams. The competition for such key personnel is intense, and there can be no assurance of success in attracting, retaining, or motivating such individuals. Failure in this regard would likely have a material adverse effect on the Corporation's business, financial condition, and results of operations.

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

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 Manager and the Corporation in resolving such conflicts of interest as may arise.

The Corporation and its shareholders are wholly dependent upon the experience and good faith of the Manager. The Manager is entitled to and does act in a similar capacity for other companies with investment criteria similar to those of the Corporation. As such, there is a risk the Manager will not be able to originate sufficient suitable investment opportunities to keep the Corporation's funds fully invested. Also, the directors of the Corporation and the Manager are employed by or act in other capacities for other companies involved in mortgage and lending activities. See Item 2.7 - "Material Agreements".

- (v) **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.

The Corporation anticipates that a substantial portion of the net proceeds of this Offering will be expended by the Corporation in investing in residential mortgages, and also anticipates that the net proceeds of the Offering and anticipated cash flow from operating revenues will be sufficient to carry out the Corporation's business plan. 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 affect on Subscribers' participation in the revenues generated through the Corporation's operations.

(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 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 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, with the assistance of the Manager, 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.

ITEM 9 REPORTING OBLIGATIONS

The Corporation is not a reporting Corporation or equivalent in any jurisdiction and is therefore not subject to the continuous disclosure requirements contained in applicable securities legislation. Pursuant to the *Business Corporations Act* (Alberta), it is required to hold an annual general meeting of Shareholders not less than 18 months after the date of incorporation, and thereafter, not later than 15 months after holding the last preceding annual general meeting. It is also required to forward financial statements and proxy materials to all of its Shareholders not less than 21 days prior to each annual general meeting or unanimous signing of a consent resolution in lieu thereof. The Shareholders will not be given notice of any meetings of the Shareholders of the Corporation and will generally not be able to vote at such meetings. See Item 5 – "Securities Offered – Terms of Securities".

Subscribers will receive quarterly statements reflecting their investment in the Corporation and quarterly dividend cheques, if applicable, and will receive T5's for investment on an annual basis. The Corporation's fiscal year commences January 1 and each year it ends on December 31 of the same year. The Corporation will prepare financial statements for each fiscal year, and provide them to Subscribers upon request.

We are not required to send you any documents on an annual or ongoing basis.

ITEM 10 RESALE RESTRICTIONS

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

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 Alberta, British Columbia and Saskatchewan*

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 Securities Legislation, 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 the prospectus; or
- (b) you have held the securities for at least twelve (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 PURCHASER'S RIGHTS

A Subscriber to this Offering will have certain rights, some of which are described below. For information about their rights, a potential Subscriber should consult a lawyer.

11.1 *Alberta and Saskatchewan*

If a Subscriber is a resident of Alberta or Saskatchewan, it will have the following rights.

- (a) **Two Day Cancellation Right** - A Subscriber can cancel its agreement to purchase the securities offered by this Offering Memorandum. To do so, a Subscriber must send a written notice to the Corporation by midnight on the 2nd Business Day after such Subscriber signs the agreement to buy the securities.
- (b) **Statutory Rights in the Event of a Misrepresentation** - If there is a misrepresentation in this Offering Memorandum a Subscriber has a statutory right to sue the Corporation:
 - (i) to cancel its agreement to buy the Preferred Shares, or
 - (ii) for damages against the Corporation.

This statutory right to sue is available to a Subscriber whether or not such Subscriber relied on the misrepresentation. However, there are various defences available to the Persons that a Subscriber has a right to sue. In particular, they have a defence if such Subscriber knew of the misrepresentation when it purchased the securities.

If a Subscriber intends to rely on the rights described in (b)(i) or (ii) above, it must do so within strict time limitations. A Subscriber must commence its action to cancel the agreement within 180 days from the date of the transaction that gave rise to the cause of action. A Subscriber must commence its action for damages within the earlier of 180 days from the day that it first had knowledge of the facts giving rise to the cause of action or three years from the day of the transaction which gave rise to the cause of action.

11.2 *British Columbia*

If a Subscriber is a resident of British Columbia, it will have the following rights.

- (a) **Two Day Cancellation Right** - A Subscriber can cancel its agreement to purchase the securities offered by this Offering Memorandum. To do so, a Subscriber must send a written notice to the Corporation by midnight on the 2nd Business Day after such Subscriber signs the agreement to buy the securities.
- (b) **Contractual Rights in the Event of a Misrepresentation** - If there is a misrepresentation in this Offering Memorandum, a Subscriber has a contractual right to sue the Partnership:
 - (i) to cancel its agreement to buy the Preferred Shares, or
 - (ii) for damages.

This contractual right to sue is available to a Subscriber whether or not it relied on the misrepresentation. However, in an action for damages, the amount a Subscriber may recover will not exceed the price that it paid for its Preferred Shares and will not include any part of the damages that the Partnership proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Corporation has a defence if it proves that the Subscriber knew of the misrepresentation when it purchased the securities.

If a Subscriber intends to rely on the rights described in (b)(i) or (ii) above, it must do so within strict time limitations. A Subscriber must commence its action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. A Subscriber must commence its action for damages within the earlier of 180 days after learning of the misrepresentation and three years after the date of the transaction that gave rise to the cause of action.

The Corporation acknowledges that the limitation period described above extends the limitation period provided by the *Limitations Act* (Alberta) and agrees to the extension.

11.3 *Manitoba*

If a Subscriber is a resident of Manitoba, it will have the following rights.

- (a) **Two Day Cancellation Right** - A Subscriber can cancel its agreement to purchase the securities offered by this Offering Memorandum. To do so, a Subscriber must send a written notice to the Corporation by midnight on the 2nd Business Day after such Subscriber signs the agreement to buy the securities.
- (b) **Statutory Rights in the Event of a Misrepresentation** - If there is a misrepresentation in this Offering Memorandum, a Subscriber has a statutory right to sue the Corporation:
 - (i) to cancel its agreement to buy the Preferred Shares, or
 - (ii) for damages.

This statutory right to sue is available to a Subscriber whether or not it relied on the misrepresentation. However, in an action for damages, the amount a Subscriber may recover will not exceed the price that it paid for its Preferred Shares and will not include any part of the damages that the Corporation proves does not represent the depreciation in value of the securities resulting from the misrepresentation. There are various defences available to the persons or companies that a Subscriber has a right to sue. In particular, they have a defence if such Subscriber knew of the misrepresentation when it purchased the securities.

If a Subscriber intends to rely on the rights described in (b)(i) or (ii) above, it must do so within strict time limitations, being in the case of rescission within 180 days after the day of the transaction that gave rise to the cause for rescission or in all other cases the Subscriber must commence its action before the earlier of: (i) 180 days after the day that the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) two years after the day of the transaction that gave rise to the cause of action.

ITEM 12 FINANCIAL STATEMENTS

The audited financial statements for the Corporation for the year ended December 31, 2010 are attached hereto.

Auditors' Consent

We have read the Offering Memorandum for Non-Qualifying Issuers of Sun Country Mortgage Investment Corporation ("the Company") dated May 31, 2011 relating to the offering of up to 10,000,000 preferred shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned offering memorandum of our report to the shareholders of the Company on the balance sheet of the Company as at December 31, 2010 and the statements of loss, comprehensive loss and deficit and cash flows for the year ended December 31, 2010. Our report is dated April 26, 2011.

Calgary, Alberta

May 31, 2011

MNP_{up}

Chartered Accountants

MNP

Sun Country Mortgage Investment Corporation
Financial Statements
December 31, 2010



Management's Responsibility

To the Shareholders of Sun Country Mortgage Investment Corporation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

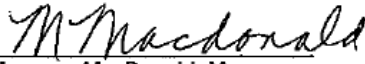
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed of several Directors who are neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 26, 2011


Ben Flahr, Vice-President


Maureen MacDonald, Manager



Independent Auditors' Report

To the Shareholders of Sun Country Mortgage Investment Corporation:

We have audited the accompanying financial statements of Sun Country Mortgage Investment Corporation, which comprise the balance sheet as at December 31, 2010, and the statements of loss, comprehensive loss and deficit, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Country Mortgage Investment Corporation as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3 in the financial statements which discloses that the Corporation incurred a loss of \$938,764 during the year ended December 31, 2010. This condition, along with other matters as set forth in Note 3, indicates the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

Calgary, Alberta

April 26, 2011


Chartered Accountants

Sun Country Mortgage Investment Corporation

Balance Sheet

As at December 31, 2010

	2010	2009
Assets		
Current		
Cash	23,704	74,645
Due from affiliates (Note 4)	176,447	36,301
Mortgages receivable (Note 5)	2,985,015	4,060,637
Foreclosed assets held for sale (Note 6)	6,746,080	6,285,537
	9,931,246	10,457,120
Long term mortgages receivable (Note 5)	2,815,522	236,164
Future income tax asset (Note 13)	279,273	279,273
	13,026,041	10,972,557
Liabilities		
Current		
Accounts payable and accruals	283,239	125,084
Due to affiliates (Note 4)	57,388	-
Loans payable (Note 7)	489,356	443,327
Payable to common shareholders (Note 8)	300,000	-
Current portion of mortgages payable (Note 9)	4,787,664	4,581,244
	5,917,647	5,149,655
Mortgages payable (Note 9)	1,476,682	187,523
Class B preferred shares (Note 10)	7,026,365	6,091,268
	14,420,694	11,428,446
Contingencies (Note 11)		
Shareholders' Deficit		
Share capital (Note 10)	100	100
Deficit	(1,394,753)	(455,989)
	(1,394,653)	(455,889)
	13,026,041	10,972,557

Approved on behalf of the Board


Ben Flahr, Director


James Devlin, Director

The accompanying notes are an integral part of these financial statements



Sun Country Mortgage Investment Corporation
Statement of Loss, Comprehensive Loss and Deficit
For the year ended December 31, 2010

	2010	2009
Revenue	644,119	749,769
Expenses		
General and administrative	349,796	206,861
Interest	96,315	48,252
	446,111	255,113
Earnings from operations	198,008	494,656
Other expenses		
Provision for impairment of mortgages receivable	(426,602)	(510,040)
Loss on disposal of foreclosed assets	(46,078)	(143,788)
Dividends on Class B preferred shares	(664,092)	(574,249)
	(1,136,772)	(1,228,077)
Loss before income taxes	(938,764)	(733,421)
Recovery of income taxes		
Future (Note 13)	-	(279,273)
Net loss and comprehensive loss	(938,764)	(454,148)
Deficit, beginning of year	(455,989)	(1,841)
Deficit, end of year	(1,394,753)	(455,989)

The accompanying notes are an integral part of these financial statements



Sun Country Mortgage Investment Corporation

Statement of Cash Flows

For the year ended December 31, 2010

	2010	2009
Cash provided by (used for) the following activities		
Operating		
Net loss and comprehensive loss	(938,764)	(454,148)
Future income tax recovery	-	(279,273)
Provision for impairment of mortgages receivable	426,602	510,040
Loss on disposal of foreclosed assets	46,078	143,788
Amortization of share issue costs	43,325	38,047
	(422,759)	(41,546)
Changes in working capital accounts		
Accounts payable and accruals	158,155	23,760
	(264,604)	(17,786)
Financing		
Advances to affiliates	(82,757)	(36,301)
Loans advanced	46,029	50,355
Advances from (repayment to) shareholders	300,000	(25,642)
Share issue costs	(42,516)	(37,551)
Preferred shares issued	1,721,559	1,113,962
Preferred shares redeemed	(787,271)	(369,381)
	1,155,044	695,442
Investing		
Mortgages advanced (net)	(941,381)	(1,080,183)
Decrease in cash resources	(50,941)	(402,527)
Cash resources, beginning of year	74,645	477,172
Cash resources, end of year	23,704	74,645
Supplementary cash flow information		
Interest paid	50,286	7,840

The accompanying notes are an integral part of these financial statements



Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

1. Incorporation and nature of operations

Sun Country Mortgage Investment Corporation ("the Corporation") was incorporated under the laws of the Province of Alberta on December 5, 2001 as a mortgage investment corporation, as defined in the Canadian Income Tax Act.

Dividends paid by the Corporation during the year, or within ninety days following the year-end, are deductible for income tax purposes. The Corporation is in the business of investing in mortgages, secured by residential real estate primarily in the Province of Alberta.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with maturities less than one year which can be redeemed without penalty at any time.

Mortgages receivable

Mortgages receivable are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis. Loan and administration fees are amortized over the term of the mortgage.

Allowance for loan impairment

Allowance for loan impairment represents specific provisions established as a result of reviews of individual loans. Specific allowances are established by reviewing the credit-worthiness of individual borrowers and the value of the collateral underlying the loan. General allowances are established by reviewing specific arrears and current economic conditions.

Loans are classified as impaired, and a provision for loss is established, when there is some doubt with respect to the timely collection of the full amount of principal or interest. Whenever a payment is 60 days past due, loans are classified as impaired, unless they are fully secured or collection efforts are reasonably expected to result in repayment of the debt.

In such cases, a specific provision is established to write down the loan to the estimated future net cash flows from the loan, discounted at the interest rate inherent in the loan, when impairment was recognized. In cases where it is impractical to estimate the future cash flows, the carrying amount of the loan is reduced to its estimated realizable value.

When a loan is classified as impaired, interest accruals are discontinued and any previously accrued but unpaid interest is charged to the provision for impairment.

Foreclosed assets

Foreclosed assets are recorded at the lower of carrying amount, and fair value less anticipated selling costs. Fair value is determined by reference to quoted market prices for the same, or similar, assets. Any difference between the carrying amount of the loan prior to foreclosure and the amount at which the foreclosed assets are initially measured is recognized as a charge to earnings.

Foreclosed assets that the Corporation has title to at year end and that are being actively marketed as at the balance sheet date are shown on the face of the balance sheet as foreclosed assets held for sale. Foreclosed assets to which the Corporation does not have title or are not being actively marketed as at the balance sheet date are included in the balance of mortgages receivable.

Mortgages payable

Mortgages payable represent amounts payable relating to foreclosed or sold assets. When foreclosure on assets occurs, the Corporation takes title to the property and is obligated to pay the first and second (if applicable) mortgages held on these properties.

Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

2. **Significant accounting policies** *(Continued from previous page)*

Class B preferred shares

Class B preferred shares, which include a right for the holder to sell the shares back to the Corporation ("put option") are recorded as liabilities and are presented at their redemption value.

Share issue costs

The cost of obtaining Class B preferred shareholders is deferred and amortized to earnings over a five year period. These costs are presented net of Class B preferred share proceeds.

Revenue recognition

Mortgage interest revenue is recognized on the accrual basis for all loans not classified as impaired.

Loan and administration fees are recognized over the term of the mortgage.

Mortgage service charges are recognized when a payment made by a mortgagor is deemed not to have sufficient funds by the bank.

Future income taxes

The Corporation follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized.

Financial instruments

Held for trading:

The Corporation has classified cash as held for trading. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in income. Held for trading financial assets are initially and subsequently measured at their fair value, without any deduction for transaction costs incurred on sale or other disposal. Gain or losses arising from changes in fair value are recognized immediately in the statement of earnings.

Loans and receivables:

The Corporation has classified the following financial assets as loans and receivables: mortgages receivable and due from affiliates. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Total interest income, calculated using the effective interest rate method, is recognized in earnings.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectibility. Gains and losses arising from changes in fair value are recognized in earnings upon derecognition or impairment.

Sun Country Mortgage Investment Corporation

Notes to the Financial Statements

For the year ended December 31, 2010

Significant accounting policies (Continued from previous page)

Other financial liabilities:

The Corporation has classified the following financial liabilities as other financial liabilities: accounts payable and accruals, due to affiliates, loans payable, payable to common shareholders, mortgages payable and Class B preferred shares. These liabilities are initially recognized at their fair value, which is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in income. Total interest expense, calculated using the effective interest rate method, is recognized in earnings.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current earnings. Any fees incurred on the exchange or modification of a financial liability not accounted for as an extinguishment are included in the carrying amount of the modified financial liability and amortized over its remaining expected life. Any related other costs incurred are recognized in current year earnings.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity of the Corporation, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses and gains and losses that, in accordance with Canadian generally accepted accounting principles, require recognition, but are excluded from net earnings. The Corporation does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in earnings for the period.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Loans are stated after evaluation as to their collectibility and an appropriate allowance for doubtful loans is provided where considered necessary. An evaluation of the fair value of foreclosed assets is performed and an allowance for foreclosed assets is provided where considered necessary. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

2. Significant accounting policies *(Continued from previous page)*

Recent accounting pronouncements

Adoption of International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) has confirmed that International Financial Reporting Standards (IFRS) will replace current Canadian generally accepted accounting principles for fiscal years beginning on or after January 1, 2011, for publicly accountable enterprises. However, in September 2010 the AcSB announced that qualifying entities with investment companies are granted a deferral of adoption of IFRS to annual periods beginning on or after January 1, 2012. For the Corporation, financial statements, including comparative information, for annual and interim periods beginning on or after January 1, 2012 will be prepared in accordance with IFRS, with restatement of the 2011 comparative information.

Management is required to provide progress updates on the entity's IFRS changeover plan at each interim and annual reporting period up until the changeover date.

The Corporation is evaluating the potential impact of adopting IFRS on its financial statements and is developing a changeover plan to adopt the standards. The key elements of the plan include assessing the impact of adopting IFRS on:

- Accounting policies;
- IT and data systems;
- Internal controls over financial reporting;
- Disclosure controls and procedures;

The changeover plan is still in the early stages of development and, as a result, the impact of adopting IFRS on the Corporation's financial reporting is not readily determinable.

3. Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Corporation will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations.

During the last two years the Corporation has incurred significant operating losses. At December 31, 2010 the Corporation has an accumulated deficit of \$1,394,753 (2009 - \$455,889).

The application of the going concern concept is dependent on the Corporation's ability to restore and maintain profitable operations. A failure to continue as a going concern would require that stated amounts of assets and liabilities be reflected on a liquidation basis which could differ significantly from the going concern basis. These financial statements do not reflect the adjustments or reclassification of assets and liabilities were the Corporation unable to continue its operations.

Based on the Corporation's stated accounting policy with regard to reflecting values and allowance for losses on the realization of impaired and foreclosed assets, the Corporation has reversed interest on impaired loans in the amount of \$90,559 (2009 - \$324,741) which is reflected in these financial statements. If the related loan is redeemed and the interest is collected, the income will be reflected in the year of receipt. In addition, the allowance for losses on sale of foreclosed assets does not reflect the recovery of values in areas where the market values are now higher than in the previous year in which there were significant write-downs of value. The recovery values are not allowed to be added or used to reduce current year write-downs. These financial statements reflect an allowance for foreclosed assets in the amount of \$426,601 (2009 - \$510,040) and for impaired assets in the amount of \$85,129 (2009- \$4,385). Upon the closing of the agreements for sale \$1,338,840 will be recovered to be used to fund new loans at a targeted 20% to increase revenues.

Sun Country Mortgage Investment Corporation

Notes to the Financial Statements

For the year ended December 31, 2010

4. Due to/from affiliates

These amounts are due to and from parties related through common ownership. The loans are unsecured, have no fixed terms of repayment for principal and bear interest at 15% per annum.

5. Mortgages receivable

	2010	2009
Mortgages receivable	2,863,202	3,637,165
Long term mortgages receivable	2,815,522	236,164
Foreclosed assets net of allowance for impairment	206,942	427,857
Allowance for impaired loans	(85,129)	(4,385)
	5,800,537	4,296,801

Mortgages receivable bear interest at rates ranging from 8.9% to 20% (2009 - 9.9% to 20%), are secured by the related residential property and are due within one year. The balance includes \$621,023 in impaired loans at year end (2009 - \$614,891). The impairment was primarily due to a downturn in the Alberta real estate market as well as an economic downturn in Canada. Market prices were used to determine the fair value of the impaired and foreclosed assets.

Long term mortgages receivable relates to agreements for sale bearing interest at rates ranging from 3.3% to 5.9% (2009 - Nil), secured by the related residential property and are due within two to three years.

6. Foreclosed assets held for sale

Foreclosed assets held for sale are properties to which the Corporation had title and were actively marketed for sale at year end. The properties were located primarily in Alberta. Foreclosed assets held for sale have associated mortgages payable totaling \$4,547,589 (2009 - \$4,768,767), as disclosed in Note 9. An allowance for impairment of these assets of \$743,033 (2009 - \$607,730) has been recorded.

7. Loans payable

Included in loans payable is a loan in the amount of \$478,800 (2009 - \$433,766) due to a Class B preferred shareholder owning 23.11% of the Class B shares outstanding at December 31, 2010 (2009 - 22.25%). Loans payable bear interest at 10% per annum, are unsecured and are due upon demand.

8. Payable to common shareholders

Amounts due to common shareholders of \$300,000 (2009 - \$nil) are unsecured, have no fixed terms of repayment for principal and interest, and bear interest at 10% per annum.

Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

9. Mortgages payable

	2010	2009
Various mortgages payable related to long term agreements for sale of foreclosed assets. These mortgages have a current portion of \$240,075 (2009 - \$200), bearing interest at rates ranging from 4% to 18% and secured by a net carrying value of associated mortgages receivable at December 31, 2010 of \$2,815,522 (2009 - \$236,164). Repayable at the closing date set out by the agreement for sale.	1,716,757	187,523
Various mortgages payable which were assumed when foreclosed assets held for sale were acquired. These mortgages are classified as current, bearing interest at a range of 5% to 18%, and secured by a net carrying value of associated foreclosed assets held for sale at December 31, 2010 of \$2,198,492 (2009 - \$1,752,934). Repayable at the time the related properties are sold.	4,547,589	4,581,244
	6,264,346	4,768,767
Less: current portion	4,787,664	4,581,244
	1,476,682	187,523

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2011	4,787,664
2012	241,033
2013	798,427
2014	59,399
2015 and thereafter	377,823

10. Share capital

	2010	2009
Authorized		
Common shares		
Unlimited Class A common voting shares		
Preferred shares		
Unlimited Class B redeemable, non-voting, 10% cumulative preferred shares with a redemption value of \$1 per share		
Issued		
Common shares		
100 Class A voting shares	100	100

The Corporation has issued preferred shares which are redeemable at the option of the holder at any time at a redemption price of \$1.00 per share. At December 31, 2010, the Corporation had issued 7,110,832 Class B shares (2009 - 6,176,544 Class B shares). In accordance with Canadian Institute of Chartered Accountants standards, all Class B preferred shares redeemable at the option of the holder have been classified as debt. As at December 31, 2010, there are no accrued dividends (2009 - \$nil) in this balance.

Share issue costs are netted against the preferred share balance. The net book value of the share issue costs is \$84,467 (2009 - \$85,276). During the year, amortization of \$43,325 (2009 - \$38,047) relating to these costs was included in general and administrative expenses.

Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

11. Contingencies

A referral agreement has been put in place with certain shareholders entitling them to a 3% referral fee for proceeds received on the issuance of new preferred shares, plus an additional 0.5% annually, if funds remain invested for a further two to four years. This agreement is in effect indefinitely.

A referral agreement has been put in place with a non-related broker entitling them to a 7% referral fee for proceeds received on the issuance of new preferred shares. This agreement is in effect indefinitely.

Consulting fee agreements have been put in place for various individuals and corporations allowing a consulting fee based on a percentage of the profit of the Corporation totaling 90% in aggregate. This agreement is in effect indefinitely.

12. Related party transactions

Included in general and administrative expenses for the current year are \$167,969 (2009 - \$77,306) for services rendered relating to a management agreement and \$12,600 (2009 - \$12,600) for office rent paid to an entity with common ownership and management.

Included in share issue costs for the current year are \$150 (2009 - \$9,791) paid to a common shareholder owning 25% of the common shares and none of the Class B preferred shares at December 31, 2010 (2009 - 25% of the common shares and 1.6% of the Class B preferred shares), \$nil (2009 - \$7,983) paid to a common shareholder owning 20% of common shares and 1.9% of the Class B preferred shares at December 31, 2010 (2009 - 20% of the common shares and 1.9% of the Class B preferred shares) and \$nil (2009 - \$2,432) paid to a common shareholder owning 20% of common shares and 8.4% of the Class B preferred shares at December 31, 2010 (2009 - 20% of the common shares and 9.7% of the Class B preferred shares).

Included in general and administrative expenses is \$nil (2009 - \$4,978) for consulting services provided by shareholders to the Corporation pursuant to a consulting agreement.

At December 31, 2010, accounts payable and accruals includes \$169,303 (2009 - \$70,917) owed to related parties pursuant to these transactions.

All of the above transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. Income taxes

	2010	2009
Non-capital loss carryforwards	636,003	279,273
Less: valuation allowance	(356,730)	-
	279,273	279,273
Future income tax asset	279,273	279,273
	279,273	279,273

Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

13. Income taxes *(Continued from previous page)*

The reconciliation of the Corporation's effective recovery of future income taxes is as follows:

	2010	2009
Expected tax expense at 38% (2009 - 38%)	(356,730)	(278,700)
Increase (decrease) in provision:		
Valuation allowance	356,730	(573)
	-	(279,273)

The Corporation's estimated tax pool available for deduction against future taxable income consist of non-capital losses of \$1,673,693 (2009 - \$734,929). Future income tax assets and future recovery of income taxes consist of the expected tax-effected recovery of these non-capital loss carryforwards. \$734,929 of these non-capital loss carryforwards will expire in 2029 and \$938,764 will expire in 2030.

14. Financial instruments

The Corporation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss resulting from the failure of a counterparty, for any reason, to fully honour its financial or contractual obligations to the Corporation, primarily arising from the Corporation's mortgage lending activities. Fluctuations in real estate values may increase the risk of default and may also reduce the net realizable value of the collateral property to the Corporation. Credit losses occur when a counterparty fails to meet its obligations to the Corporation and the value realized on sale of the underlying security deteriorates below the carrying amount of the exposure. In the current economic environment, the Corporation has increased its monitoring of real estate market values for its mortgages receivable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities.

Liquidity risk

Liquidity risk is the risk that cash inflows, supplemented by assets readily convertible to cash, will be insufficient to honour all cash outflow commitments as they come due. The failure of borrowers to make regular mortgage payments increases the uncertainties associated with liquidity management, notwithstanding that the Corporation may eventually collect the amounts outstanding. The Corporation closely monitors its liquidity position to ensure that it has sufficient cash to meet liability obligations as they become due. In addition, all the Corporation's mortgages receivable are due within twelve months of issuance, providing the Corporation with added flexibility to meet its liquidity needs.

Market risk

Market risk is the exposure to adverse changes in the value of financial assets. For the Corporation, market risk factors include interest rates, real estate values and commodity prices, among others.

Sun Country Mortgage Investment Corporation
Notes to the Financial Statements
For the year ended December 31, 2010

15. Capital management

The Corporation sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation is subject to capital requirements imposed under Section 130.1 of the Income Tax Act in order to maintain its mortgage investment corporation status. Management believes that they are in compliance with these requirements.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

ITEM 13 DATE AND CERTIFICATE

Date: May 31, 2011.

THIS OFFERING MEMORANDUM DOES NOT CONTAIN A MISREPRESENTATION.

SUN COUNTRY MORTGAGE INVESTMENT CORP.

Signed: "*Gerry Macdonald*"

Gerry Macdonald, President

Signed: "*Ben Flahr*"

Ben Flahr, Vice-President

ON BEHALF OF THE BOARD OF DIRECTORS

Signed: "*Ben Flahr*"

Ben Flahr, Director

Signed: "*James Devlin*"

James Devlin, Director

PROMOTER

Signed: "*Gerry Macdonald*"

Gerry Macdonald, President

SCHEDULE "A"
SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY
FOR SALES BY REGISTERED DEALERS

TO: Sun Country Mortgage Investment Corp.
 Suite 200, 136 - 17th Avenue N.E., Calgary, Alberta, T2E 1L6
 (the "Corporation")

The undersigned (the "Purchaser" or the "Subscriber") hereby subscribes for the following securities of the Corporation ("Preferred Shares"):

	Number of Preferred Shares	Subscription Price of Preferred Shares (@ \$1.00 Per Preferred Share)
Totals		

pursuant to the Offering Memorandum of the Corporation dated May 31, 2011, that may be amended from time to time (the "Offering Memorandum"), receipt of a copy of which is hereby acknowledged. Unless otherwise defined in this Subscription Agreement, all of its capitalized terms have the same meaning as defined in the Offering Memorandum.

The undersigned tenders herewith to the Corporation the subscription price in the amount of \$1.00 per Preferred Share (the "Subscription Price") by way of certified cheque or bank draft made payable to: "Miller Thomson LLP, in Trust".

Under the Corporation's current policy, Subscribers can elect to receive dividends either in cash or as "stock dividends". When paying a stock dividend, rather than paying the dividend in cash the Corporation "pays" the Corporation dividend by issuing Preferred Shares to the Subscriber of the same class of Preferred Shares on which the dividend is being paid the "Dividend Shares"). Dividend Shares will be issued at the price of \$1.00 per Dividend Share, or such other price per Dividend Share as the Corporation gives Subscribers less than 90 days prior written notice thereof. Subscribers may change their election as to cash or stock dividends by giving the Corporation notice of their election change not less than 60 days before the change in election is to take effect. The Corporation reserves the right to amend or cancel its policy regarding stock dividends.

The Subscriber hereby elects to receive dividends by way of the following type of dividends (i.e., either cash or stock dividends) in respect of the following class(es) of Preferred Shares (please place an "X" on the appropriate line):

Cash Dividend Election	Stock Dividend Election
_____	_____

1. SUBSCRIPTION

1.1 The undersigned (the "Subscriber") hereby subscribes for and agrees to purchase the shares (the "Preferred Shares") of Sun Country Mortgage Investment Corp. (the "Corporation") at a price of \$1.00 per Preferred Share as indicated on the face page hereof (the "Purchase Price"). The acceptance of this subscription by the Corporation shall be deemed conclusively as a purchase and sale of such shares of the Corporation in accordance with the terms and conditions hereof.

1.2 The Subscriber delivers herewith a certified cheque, bank draft or money order payable to "Miller Thomson LLP, in Trust" for the Purchase Price, being payment in full for the Preferred Shares hereby subscribed for.

1.3 The Subscriber acknowledges that he/she/it has received, read and understands the Offering Memorandum of the Corporation dated May 31, 2011 (the "Offering Memorandum"), and is purchasing the Preferred Shares in accordance with the terms, objectives and conditions having regard to the risk factors outlined therein.

2. DEFINITIONS

2.1 In addition to any other terms defined herein, in this Agreement the following terms shall have the following meanings:

- (a) "**Agreement**" means this agreement, being the agreement formed upon the acceptance by the Corporation of the within subscription by the Subscriber for Preferred Shares together with the Power of Attorney;
- (b) "**NI 45-106**" means National Instrument 45-106 *Prospectus and Registration Exemptions*;
- (c) "**Power of Attorney**" means the power of attorney granted by each Subscriber hereunder in favour of the President of the Corporation (or his nominee or successor) pursuant to Section 5 hereof;
- (d) "**Preferred Shares**" means the Preferred Shares of the Corporation subscribed for hereunder;
- (e) "**Securities Laws**" means the applicable securities laws, regulations, rules, orders and published policy statements of all of the Provinces and Territories of Canada including but not limited to NI 45-106; and
- (f) "**Tax Act**" means the Income Tax Act (Canada) and the regulations thereunder, as amended from time to time.

3. REPRESENTATIONS AND UNDERTAKINGS OF THE CORPORATION

3.1 The Corporation represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that the Corporation is and will continue to use commercially reasonable best efforts to be at all times which are relevant for the purpose of the Tax Act and this Agreement, a "mortgage investment corporation" within the meaning of subsection 130.1(6) of the Tax Act.

4. REPRESENTATIONS AND UNDERTAKINGS OF THE SUBSCRIBER

4.1 The Subscriber hereby represents and warrants to the Corporation and acknowledges that the Corporation is relying upon such representations and warranties in connection with the issue and sale of the Preferred Shares:

- (a) that the Subscriber acknowledges that the Preferred Shares subscribed for by it hereunder form part of a larger offering by the Corporation of up to 10,000,000 Preferred Shares (the "Offering");
- (b) that this Agreement has been duly and validly authorized, executed and delivered by the Subscriber and constitutes a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (c) that by entering into this Agreement and the transactions contemplated hereby will not result in a violation of any of the terms and provisions of any law applicable to the Subscriber, or any of its documents where the Subscriber is a corporation, or of any agreement to which the Subscriber is a party or by which the Subscriber is bound;
- (d) that the Subscriber is purchasing the Preferred Shares subscribed for as principal for his/her/its own account for investment only and not with a view to resale or distribution and unless exempted by an order of the securities commission or similar regulatory authority of the province in which he/she/it resides:

- (e) if a resident of Alberta, Saskatchewan, Manitoba, Prince Edward Island, Quebec, Newfoundland and Labrador, Northwest Territories or Nunavut and is purchasing more than 10,000 Preferred Shares (\$10,000), the Subscriber has concurrently executed and delivered the Eligible Subscriber Status Certificate attached as Schedule "C";
- (f) if the Subscriber is an "accredited investor", as such term is defined in NI 45-106, the Subscriber has concurrently executed and delivered a Representation Letter in the form attached hereto as Appendix 1 to this Subscription Agreement;
- (g) if the Subscriber is one of the following: **(please initial beside the applicable category)**:
 - _____ (iii) a director, officer, employee, founder or control person of the Corporation;
 - _____ (iv) a spouse, parent, grandparent, brother, sister or child of a director, senior officer, founder or control person of the Corporation;
 - _____ (v) a parent, grandparent, brother, sister or child of the spouse of a director, senior officer, founder or control person of the Corporation;
 - _____ (vi) a close personal friend of a director, senior officer, founder or control person of the Corporation;
 - _____ (vii) a close business associate of a director, senior officer, founder or control person of the Corporation;
 - _____ (viii) a spouse, parent, grandparent, brother, sister or child of the selling security holder or of the selling security holder's spouse;
 - _____ (ix) a current holder of securities of the Corporation; or
 - _____ (x) a person that is not the public;
- (h) that the Subscriber knows that he/she/it is purchasing the Preferred Shares pursuant to prospectus and registration exemptions under the Securities Laws and, as a consequence:
 - (i) he/she/it is restricted from using most of the civil remedies available under securities legislation;
 - (ii) he/she/it may not receive information that would otherwise be required to be provided to him/her under securities legislation; and
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under the Securities Legislation;
- (i) that the Subscriber has received and reviewed the Offering Memorandum and if not an "accredited investor", has concurrently executed and delivered to the Corporation a Risk Acknowledgement Form in the form attached hereto as Schedule "B";
- (j) that the Subscriber has relied solely upon the Offering Memorandum and not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein;
- (k) that the Subscriber acknowledges that:
 - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Preferred Shares;

- (ii) there are risks associated with the purchase of the Preferred Shares;
- (iii) there are restrictions on the Subscriber's ability to resell the Preferred Shares and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Preferred Shares; and
- (iv) the certificates evidencing the Preferred Shares shall bear a legend referring to such restrictions on resale and neither the Corporation nor any transfer agent of the Corporation will register any transfer of such securities not made in compliance with such restrictions on resale;

but subject nevertheless to the requirement that he/she/it will not resell the Preferred Shares except in accordance with applicable securities legislation and applicable stock exchange rules;

- (l) that the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of his/her/its investment and is able to bear the economic risk of loss of his/her/its entire investment;
- (m) that the Subscriber acknowledges that he/she/it is aware of the characteristics of the Preferred Shares, the risks relating to an investment therein and of the fact that he/she/it may not be able to resell the Preferred Shares except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restricted period. The Subscriber acknowledges that the Corporation is not a reporting Corporation or equivalent in any jurisdiction, thus, the applicable hold period may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, the Subscriber could be required to hold the Preferred Shares for an indefinite period of time. The Subscriber further acknowledges that he/she/it has been advised by the Corporation to consult his/her/its own legal counsel in the jurisdiction of residence for full particulars of resale restrictions applicable to him/her;
- (n) that the Subscriber is not a non-resident of Canada for the purposes of the Tax Act; and
- (o) none of the funds the Subscriber is using to purchase the Preferred Shares are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities.

4.2 The Subscriber hereby undertakes that the Subscriber will not resell the Preferred Shares purchased hereunder except in compliance with applicable securities legislation and the terms set forth in the Power of Attorney, and only with approval of the Board of Directors of the Corporation.

4.3 The Subscriber hereby undertakes to execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue, holding and resale of the Preferred Shares as may be required (including pursuant to the Tax Act and Securities Laws).

4.4 The Subscriber agrees that the above representations, warranties and covenants will be true and correct both as of the execution of this Agreement and as of the Closing and will survive the completion of the issuance of the Preferred Shares. The Subscriber agrees to indemnify the Corporation and its directors and officers against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur, caused or arising from reliance thereon. The Subscriber further undertakes to immediately notify the Corporation at Suite 200, 136 - 17th Avenue N.E., Calgary, Alberta, T2E 1L6, Attention: Gerry Macdonald, President, of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing.

4.5 The Subscriber acknowledges and consents to:

- (a) the fact that the Corporation is collecting personal information of the Subscriber including information provided by the Subscriber on the cover page and in the appendices, schedules and forms forming part of this Agreement ("Personal Information");

- (b) the Corporation and its respective agents and legal counsel will retain such Personal Information for as long as permitted or required by law or business practices;
- (c) the disclosure of Personal Information by the Corporation to securities regulatory authorities (the "Commissions"), the registrar and transfer agent, their legal counsel and any other party involved in the purchase and sale of the Preferred Shares;
- (d) the collection, use and disclosure of Personal Information by the Corporation, its agents and the Commissions from time to time; and
- (e) the collection, use and disclosure of Personal Information by the Commissions for the purposes of the administration and enforcement of the securities legislation of the jurisdiction of each Commission.

The Subscriber has been advised that if it has questions about the indirect collection of Personal Information by the Commissions that it can contact any one of them at their respective business address and business telephone number as contained on page B-2 below.

5. POWER OF ATTORNEY

5.1 The Subscriber hereby irrevocably (other than in accordance with the terms of this appointment) appoints the President of the Corporation, or his duly appointed nominee, and each subsequent President of the Corporation as from time-to-time appointed, as his/her/its duly authorized attorney (the "Attorney"), to act in the place and stead and for the Subscriber in respect of the Preferred Shares:

- (a) to receive and, if applicable, to hold the Preferred Shares in accordance with the terms hereof;
- (b) the preceding shall be subject to such variations as the Attorney, in his sole discretion, may deem reasonable or desirable in satisfying the terms and objectives set forth herein or, alternatively, shall be deemed approved by the Subscriber if any sale agreement is approved by the Corporation;
- (c) this Power of Attorney includes, without limitation, the power to execute, transfer and deliver all agreements, share certificates and documents, and prepare and file any and all such instruments, documents and/or elections necessary or desirable to give effect to the foregoing, and any such agreement, transfer, share certificate, documents, instrument or filing signed by the Attorney shall be binding on the Subscriber as if executed by such Subscriber, and no party relying thereon need make any further inquiry as to the validity thereof;
- (d) the Subscriber hereby indemnifies and saves harmless, and waives any right of action or claim he/she/it may have against, the Attorney exercising his powers hereunder at his sole discretion, in good faith; and
- (e) this Power of Attorney shall terminate on the earlier of:
 - (i) December 31, 2015; and
 - (ii) upon a resolution passed, or approval in writing, by the shareholders of the Corporation holding 80% of the issued and outstanding Preferred Shares that the Power of Attorney should be terminated.

6. GENERAL

6.1 The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.

6.2 The Corporation will have the right to accept or reject the Subscriber's subscription in whole or in part at any time at or prior to the Closing. Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the

acceptance of this Agreement will be conditional, among other things upon the sale of the Preferred Shares to the Subscriber being exempt from any prospectus requirements of applicable Securities Laws.

6.3 The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any counsel or adviser retained by the Subscriber) relating to the purchase of the Preferred Shares by the Subscriber shall be borne by the Subscriber.

6.4 Time shall be of the essence hereof.

6.5 This Agreement represents the entire agreement of the parties relative to the subject matter hereof and supersedes any and all prior or collateral agreements and representations, oral or written, of the parties in respect of the subject matter hereof.

6.6 Neither this Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

6.7 The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns and this Agreement shall not be assignable by any party without the prior written consent of the other party.

6.8 The contract arising out of this Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the Subscriber and the Corporation each irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

DATED at _____ in the Province of _____ this _____ day of _____, _____.

Subscriber's Signature

Name (please print)

Address

City, Province and Postal Code

Social Insurance Number

The foregoing subscription is hereby accepted this _____ day of _____, _____.

**SUN COUNTRY MORTGAGE INVESTMENT
CORP.**

Per: _____
(Authorized Signatory)

**APPENDIX "1" TO SCHEDULE "A"
REPRESENTATION LETTER**

TO: Sun Country Mortgage Investment Corp. (the "Corporation")

In connection with the purchase by the undersigned subscriber (the "Subscriber") of Preferred Shares in the capital of the Corporation, the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is a resident of Canada or is subject to the laws of the Provinces and Territories of Canada;
2. The Subscriber is purchasing the Preferred Shares as principal for his/her/its own account;
3. The Subscriber has received a copy of the Offering Memorandum of the Corporation dated May 31, 2011;
4. The Subscriber, if an "accredited investor", has executed Exhibit "1" to this Appendix "1"; and
5. Upon execution of this Appendix "1" by the Subscriber, this Appendix "1" shall be incorporated into and form a part of the Subscription Agreement and Power of Attorney.

DATED _____,

Print Name of Subscriber

Signature

Print name of Signatory (if different from Subscriber)

Title (if Subscriber is not an individual)

IMPORTANT: PLEASE INITIAL ON EXHIBIT "1" WHERE APPLICABLE.

EXHIBIT "1"
TO APPENDIX "1"

(a) "accredited investor" - (defined in National Instrument 45-106 ("NI 45-106")) means:

NOTE: The investor must initial beside the applicable portion of the above definition.

	(a)	a Canadian financial institution, or a Schedule III bank,
	(b)	the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada),
	(c)	a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
	(d)	a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador),
	(e)	an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
	(f)	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
	(g)	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
	(h)	any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
	(i)	a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
	(j)	an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000 ,
	(k)	an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
	(l)	an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
	(m)	a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements,
	(n)	an investment fund that distributes or has distributed its securities only to
	(i)	a person that is or was an accredited investor at the time of the distribution,
	(ii)	a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [<i>Minimum amount investment</i>] and 2.19 [<i>Additional investment in investment funds</i>] of NI 45-106, or
	(iii)	a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [<i>Investment fund reinvestment</i>] of NI 45-106,

	(o)	an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the applicable securities regulator or regulatory authority has issued a receipt,
	(p)	a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
	(q)	a person acting on behalf of a fully managed account managed by that person, if that person
		(i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
		(ii) in Ontario, is purchasing a security that is not a security of an investment fund;
	(r)	a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an eligibility advisor or an advisor registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
	(s)	an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
	(t)	a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
	(u)	an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or
	(v)	a person that is recognized or designated by the applicable securities regulator or regulatory authority as
		(i) an accredited investor, or
		(ii) an exempt purchaser in Alberta or British Columbia.

For the purposes hereof:

- (a) "**bank**" means a bank named in Schedule I or II of the *Bank Act* (Canada);
- (b) "Canadian financial institution" means
 - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (c) "**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds
 - (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or
 - (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;
- (d) "**debt security**" means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;
- (e) "**executive officer**" means, for an issuer, an individual who is
 - (i) a chair, vice-chair or president,
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production;
 - (iii) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or
 - (iv) performing a policy-making function in respect of the issuer;
- (f) "**financial assets**" means cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of the securities legislation;
- (g) "**founder**" means, in respect of an issuer, a person who,
 - (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the trade is actively involved in the business of the issuer;
- (h) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

- (i) **"investment fund"** means a mutual fund or a non-redeemable investment fund;
- (j) **"mutual fund"** includes an issuer of securities that entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets, including a separate fund or trust account, of the issuer of the securities;
- (k) **"non-redeemable investment fund"** means an issuer:
 - (i) whose primary purpose is to invest money provided by its securityholders;
 - (ii) that does not invest for the purpose of exercising effective control, seeking to exercise effective control, or being actively involved in the management of the issuers in which it invests, other than other mutual funds or non-redeemable investment funds; and
 - (iii) that is not a mutual fund;
- (l) **"person"** includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (m) **"related liabilities"** means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets;
- (n) **"RRIF"** means a registered retirement income fund as defined in the *Income Tax Act* (Canada);
- (o) **"RRSP"** means a registered retirement savings plan as defined in the *Income Tax Act* (Canada);
- (p) **"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (q) **"spouse"** in relation to an individual, means another individual to whom that individual is married, or another individual of the opposite sex or the same sex with whom that individual is living in a conjugal relationship outside marriage;
- (r) **"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

For the purposes of National Instrument 45-106 ,Prospectus and Registration Exemptions, an issuer is an affiliate of another issuer if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same person

Except in part 2 Division 4 of National Instrument 45-106, for the purposes of National Instrument 45-106, a person (first person) is considered to control another person (second person) if

- (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person

For the purpose of section 2.3 of National Instrument 45-106 (except as set out below) a trust company or trust corporation described in paragraph (p) of the definition of "accredited investor" in section 1.1 of National Instrument 45-106 is deemed to be purchasing as principal. This does not apply to a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada.

For the purpose of this section, a person described in paragraph (q) of the definition of "accredited investor" in section 1.1 of National Instrument 45-106 is deemed to be purchasing as principal.

This section does not apply to a trade in a security to a person if that person is created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of National Instrument 45-106.

SCHEDULE "B"
RISK ACKNOWLEDGEMENT FORM
FOR SALES BY REGISTERED DEALERS

FORM 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Sun Country Mortgage Investment Corp. will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You have 2 business days to cancel your purchase

To do so, send a notice to Sun Country Mortgage Investment Corp. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Sun Country Mortgage Investment Corp. at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Sun Country Mortgage Investment Corp
200, 136 - 17th Avenue N.E.
Calgary, Alberta, T2E 1L6
Tel: 403.291-9795
Fax: 403.291-7016

Website: www.suncountrymic.com

E-mail: admin@suncountrymic.com

Toll Free 877-291-9795

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Securities Regulatory Authorities and Regulators

<p>British Columbia Securities Commission P.O. Box 10142, Pacific Centre 701 West Georgia Street Vancouver, British Columbia, V7Y 1L2 Telephone: (604)899-6854 Toll free in British Columbia and Alberta: 1-800-373-6393 Facsimile: (604)899-6506</p>	<p>Saskatchewan Financial Services Commission 6th Floor, 1919 Saskatchewan Drive Regina, Saskatchewan, S4P 3V7 Telephone: (306)787-5879 Facsimile: (306)787-5899</p>
<p>Alberta Securities Commission 4th Floor, 300 - 5th Avenue S.W. Calgary, Alberta, T2P 3C4 Telephone: (403)297-6454 Facsimile: (403)297-6156</p>	<p>The Manitoba Securities Commission 1130 - 405 Broadway Avenue Winnipeg, Manitoba, R3C 3L6 Telephone: (204)945-2548 Facsimile: (204)945-0330</p>

SCHEDULE "C"
ELIGIBLE SUBSCRIBER STATUS CERTIFICATE
FOR SALES BY REGISTERED DEALERS

"Eligible Investor" for the purposes of this clause means (circle the appropriate category if you are a resident of Alberta, Saskatchewan or Manitoba, purchasing more than 10,000 shares (\$10,000.00) as principal and are an "eligible investor" by virtue of being):

[Mark below the category or categories which describe you]

- 1. A person or company (an "eligible investor") whose:
 - a. net assets, alone or with a spouse, exceeds **\$400,000**; or
 - b. net income before taxes exceeded **\$75,000** in each of the two most recent years and who reasonably expects to exceed that income level in the current year; or
 - c. net income before taxes combined with that of a spouse exceeded **\$125,000** in each of the two most recent years and who reasonably expects to exceed that income level in the current year; or
- 2. A person or company of which a majority of the voting securities are beneficially owned by Eligible Investors or a majority of the directors are Eligible Investors; or
- 3. A general partnership in which all of the partners are Eligible Investors; or
- 4. A limited partnership in which the majority of the general partners are Eligible Investors; or
- 5. A trust or estate in which all of the beneficiaries or a majority of the trustees are Eligible Investors; or
- 6. A person or company that has obtained advice regarding the suitability of the investment and, if the person or company is in a jurisdiction of Canada that advice has been obtained from _____ [insert name], an investment dealer, or equivalent category of registration, registered under the securities legislation of the jurisdiction of the Subscriber and authorized to give advice with respect to the Securities being distributed, or an eligibility adviser, as defined in NI 45-106.

DATED _____,

Signature of Purchaser

Name of Purchaser

SCHEDULE "D"



SUN COUNTRY MORTGAGE INVESTMENT CORP

#200, 136-17 Avenue NE
Calgary, AB T2E 1L6

Phone: (403) 291-9795
Fax: (403) 291-7016
Toll free: (877) 291-9795
Email: admin@suncountrymic.com

APPLICATION – Purchase Shares of SUN COUNTRY MORTGAGE INVESTMENT CORP

Surname/Company	First Name or Initial	Middle Name or Initial
<hr/>	<hr/>	<hr/>
Apt. Number	Street Number & Name	
<hr/>	<hr/>	
City	Province	Postal Code
<hr/>	<hr/>	<hr/>
S.I.N.	Date of Birth	Resident _____
<hr/>	Day Month Year	Non-Resident _____
<hr/>	<hr/>	(specify country)
ATTACH COPY OF PHOTO ID	Business Phone	Extension
Residence Phone	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
Spouse:	SIN	
<hr/>	<hr/>	

Method of Interest Payments Requested: (circle your choice of options)
Payment Frequency: quarterly/semi-annually/annually –
Dividends issued: by cheque or shares reinvested to client's account

TRUSTEE INFORMATION – RRSP/RRIF/RESP etc (as it appears on your statement of account with them)	
Trustee Name	<hr/>
Name of account & account Number	<hr/>
Address of Trustee	<hr/>
<hr/>	<hr/>

Total shares Purchased (\$1.00 per share)	\$
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Beneficiary Designation

I hereby appoint the person named below as beneficiary to receive any amounts which may be payable in the event of my death. I reserve the right to change beneficiary at any time. (Beneficiary Designation not applicable in the Province of Quebec)

Beneficiary Surname	First name	Initials
<hr/>	<hr/>	<hr/>
Relationship to applicant	Applicant signature	
<hr/>	<hr/>	

DATED THIS _____ DAY OF _____, _____.

APPLICANT SIGNATURE

WITNESS