

1. What types of mortgages does LMC MIC invest in and where?

Our mortgages are offered in the form of a first and second position charge up to a maximum Loan-to-Value of 85%, however in market with high volatility we observe a lower risk and max out between 70-75% LTV. We strictly lend on residential properties across Ontario with a minimum population size of 25,000 or more. Most of our mortgage placements are well situated close to larger towns and cities and suburban areas in Ontario.

2. How does LMC MIC find mortgage borrowers?

Our lending model is available for direct consumers and our loyal mortgage broker community across Ontario. We focus on clients through our broker channel to maintain business continuity.

3. How is the mortgage market regulated?

LMC MIC is a mortgage investment corporation operating under section 130.1 of the Income Tax Act (Canada) (the "Act") where investors categorized under non-qualified, qualified and accredited can opt to invest and purchase shares of the company that generates a revenue from lending against properties. The investment intake process is managed under an exemption within private markets under the regulation of OSC (Ontario Securities Commission) and each investment is vetted by an EMD (Exempt Market Dealer). The mortgage funding management is facilitated by Lendmax Inc. that operates under the regulation of FSRAO (Financial Services Regulatory Authority Ontario) to ensure accurate mortgage payment, arrears and funding administration.

4. What are the benefits of MIC investing?

1. Canadian Residential Real Estate strength derives from our community holding a priority over payments towards a shelter in high regard. This allows a **MIC to invest into the real estate** where over decades we have seen a consistent incline and appreciation of property values. As a MIC share sold to investors raise capital to lend mortgages to borrowers under a strict criterion of qualification that offers a pre-meditated return on the loan advanced. This is an amazing solution to increasing cashflow to your portfolio.

2. RRSP / RESP / TFSA / LIRA Eligibility to invest in a MIC compares to other products that may be invested under these vehicles. Registered accounts of

these nature are a great way to reduce or remove tax liabilities in growth of your principal amount. Holding and managing your self-directed RRSP or RRIF accounts is easy.

3. Competitive Returns: Put your money to use by yielding above 7% in consistent and stable dividends, using the MIC investment model, you are investing in a brick & mortar opportunity that has been carefully vetted by the MIC management as a promising return.

4. Professional Management: An experienced team that manages your money by utilizing their expertise in mortgage lending, real estate, property acquisitions and financing can help you generate safer returns on your investment.

5. Diversification: Today's market volatility demands a modest approach in hedging risks elsewhere, by investing in a MIC, a stable and consistent return you can reduce your exposure to the market and losses.

5. What risks are associated with investing in a MIC?

Although real estate investing is considered one of the safest investments, risks still exist in mortgage lending. All property investments are subject to elements of risk. Property value is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants, competition from other available properties and other factors. While independent appraisals are required before the corporation may make any mortgage investment, the appraised values provided therein, even were reported on an "as is" basis, are not necessarily always reflective of the market value of the underlying property, which may fluctuate. The MICs' income and funds available for distribution to security holders would be adversely affected if a significant number of borrowers were unable to pay their obligations. Upon default by a borrower, LMC MIC may experience delays in enforcing its' rights as lender and could incur costs in protecting its investment. To mitigate these risks, the experienced team of Underwriters at LMC MIC carefully review every application to reduce the possibility of non-performing loans. Furthermore, strict loan to value guidelines and a proactive approach to collections ensure enough equity is available to recover outstanding loan balances in case of foreclosure.

6. Is my money locked in? What happens if I die or I need the money?

LMC MIC has a 36-month redemption period which commences from the month end of initial subscription. After the redemption period expires, an investor can withdraw their funds simply by advising us in writing so that a redemption notice received will be effective within 90 days of the end of the quarter following the quarter in which the redemption request is received. We also have a compassionate early redemption and death of shareholder policy which allows

a surviving spouse to have the investment redeemed earlier than the normal maturity date. Please refer to Offering Memorandum for further detail.

7. How am I taxed?

For income tax purposes, the returns that our investors receive are treated as interest, not as dividends.

8. How do I invest funds from my RRSP, TFSA or RRIF in LMC MIC?

Investing using your registered accounts is easy, with our Partnerships with Plan Administrators like Olympia Trust and Western Pacific, we can assist with account opening and help facilitate your fund transfer requests.

9. How do I receive my interest?

Our investors can choose to take advantage of our automatic dividend reinvestment plan (DRIP) and gain the benefit of compounding their return. Alternatively, our investors can receive their monthly dividends by direct deposit to a specified account.

10. Is the investment guaranteed?

No. Our underlying security is the Canadian real estate property against which we have mortgage charges and, in most cases, the personal guarantees of the owners of the property.

11. Who do you lend to?

LMC MIC focuses on residential properties in urban and suburban areas in Ontario that are highly marketable. LMC MIC's clients are mostly self-employed, new immigrants and borrowers with soft, poor or no credit. We mitigate the risk with our proprietary underwriting model.

12. What is the size of the market?

The residential mortgage market surpassed \$1.3 trillion dollars in 2016. It has been growing at an annual growth rate of 7% compounded every year for the last 10 years. The Banks and Trust Companies focus on the 80% of the market. Due to tighter restrictions by the regulators the Banks and Trust Companies have restricted their lending practices. This has created a larger opportunity for LMC.