



drake
financial^{LTD.}



Your partner for
innovative
financial growth



Disclaimer

The following presentation has been prepared with an intent to assist investors to learn about investing in the Alternative Investment or Exempt Market in Canada and the information contained can not be legally relied on. The presenters and companies presenting this information strongly recommend you seek professional advice from your accountant, corporate lawyer and other professional. If you don't have one please ask us for a referral as each individual requires specific advice for their unique circumstances and objectives. Drake Financial Ltd, is a registered exempt market dealer in BC, Alberta, Saskatchewan and Ontario.



Who are we?

- Drake Financial Ltd. and its affiliates have served British Columbia and the Lower Mainland of Vancouver since 1985
- We are an exempt market dealer and mortgage brokerage offering financial services and investments in GICs MIC shares, and various alternative investment products
- Drake started as a mortgage brokerage and began managing MICs in the late 1980's
- We commit ourselves to high standards of integrity while providing customer valued services, investment and mortgage solutions that meet the needs and often exceeds the expectations of our clients



What is an Alternative or Exempt Market Investment?

- The alternative or exempt market is where start up or smaller Canadian companies and innovators go to get capital to fund their businesses
- They are called alternative or exempt market products because they do not file a prospectus with a securities regulator usually due to the high costs associated with the prospectus process
- Other names for the exempt market is alternative investments, private placements and the private capital market
- In Canada most companies raising capital outside a prospectus must be vetted through an exempt market dealer
- In the past usually the large brokerage houses weeded through new offerings and reserved the best ones for their top clients and not the general public
- The expansion of the exempt market dealer allows most investors to participate in the growth of new and smaller businesses with out market manipulation from derivatives
- Usually returns are higher in the exempt market but there are associated risks



How do our investments do in turbulent times?

- The global recession of 2008-2009 is a good measurement if the issuer was in business then
- Because alternative investments are real smaller companies they are able to rapidly adjust to changing economic conditions – MICs change their LTV and lending criteria
- Alternative investments are not affected by trading sentiment (the Bear tends to chase the public markets more than the issuers – ie derivatives

- The current economic backdrop is turbulent and uncertain led by the restricted monetary policy
- In times like this diversity across product sectors is wise
- Alternative investments can provide high yields in turbulent times
- In the 2009-2009 recession our products continued to pay regular dividends while the markets dropped 20 to 30%



Why choose Drake as our Exempt Market Dealer?

- An Exempt Market Dealer is only as good as their experience and integrity
- Drake owners have been in banking, investments and real estate since the mid 1980's
- Our mortgage funds have out performed the stock market indexes for many years
- Drake's product review committee meets all issuers and performs rigorous underwriting on all companies and their principals prior to approving them for sale to our investors
- Drake purposely sources investment opportunities in varying risk classes and will spend sufficient time to match your unique investor profile with our products
- Canadian Banks largest asset in their portfolios are exempt market products (mortgages) and Drake provides you the opportunity to invest like the banks
- Drake investment products provide exceptional returns to our investors



Let us introduce you to two of our
exempt market opportunities

- Blue Pearl Mortgage Investment Corporation
- Cascadia Green REIT



What are the elements of a good MIC?

- A MIC is only as good as the managers' experience and ethical behaviour
- Fund history – a fund with a long good history – although some newer funds have short term advantages in returning higher yields
- Size – larger funds provide greater liquidity whereas smaller funds provide higher returns
- Average weighted LTV ratio (loan-to value ratio)
- Charge composition (percentage of 1st mortgages versus junior mortgages such as 2nd 3rd)
- Geographical composition (is the portfolio concentrated in one area or diverse? Urban or Rural?)
- Delinquency – current and historical
- Provision for loss impairment – current and historical
- Leveraged or Debt Free



BLUE PEARL MORTGAGE INVESTMENT CORPORATION

An extension of Blue Pearl
Mortgage Group Inc.

Disclaimer

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Please direct all inquiries to Norm Holmes (norm@drakefinancial.com) at Drake financial. This presentation contains certain statements that may be forward-looking statements. All statements in this document, other than statements of historical fact, that address events or developments that Blue Pearl Mortgage Investment Corporation Inc. expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and may be identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Please see the offering memorandum for a complete description of the risks associated with investing into the Blue Pearl Mortgage Investment Corporation MIC. Prospective investors should consult their own council and seek advice from a registered financial advisor before making an investment decision.

WHY A (MIC)?

Mortgage Investment Corporations (MIC's) were introduced in 1973 by the Government of Canada through the Residential Mortgage Financing Act (RMFA) to make it easier for small investors to participate in the residential mortgage and real estate markets. MIC's are now primarily regulated and governed by the Income Tax Act (the ITA), which sets out rules applicable to MIC's and their shareholders.

Benefit 1

Generally, a MIC pools investments through the issuance of shares to investors and invests in a portfolio of mortgages which generates income through interest and fees charged to borrowers.

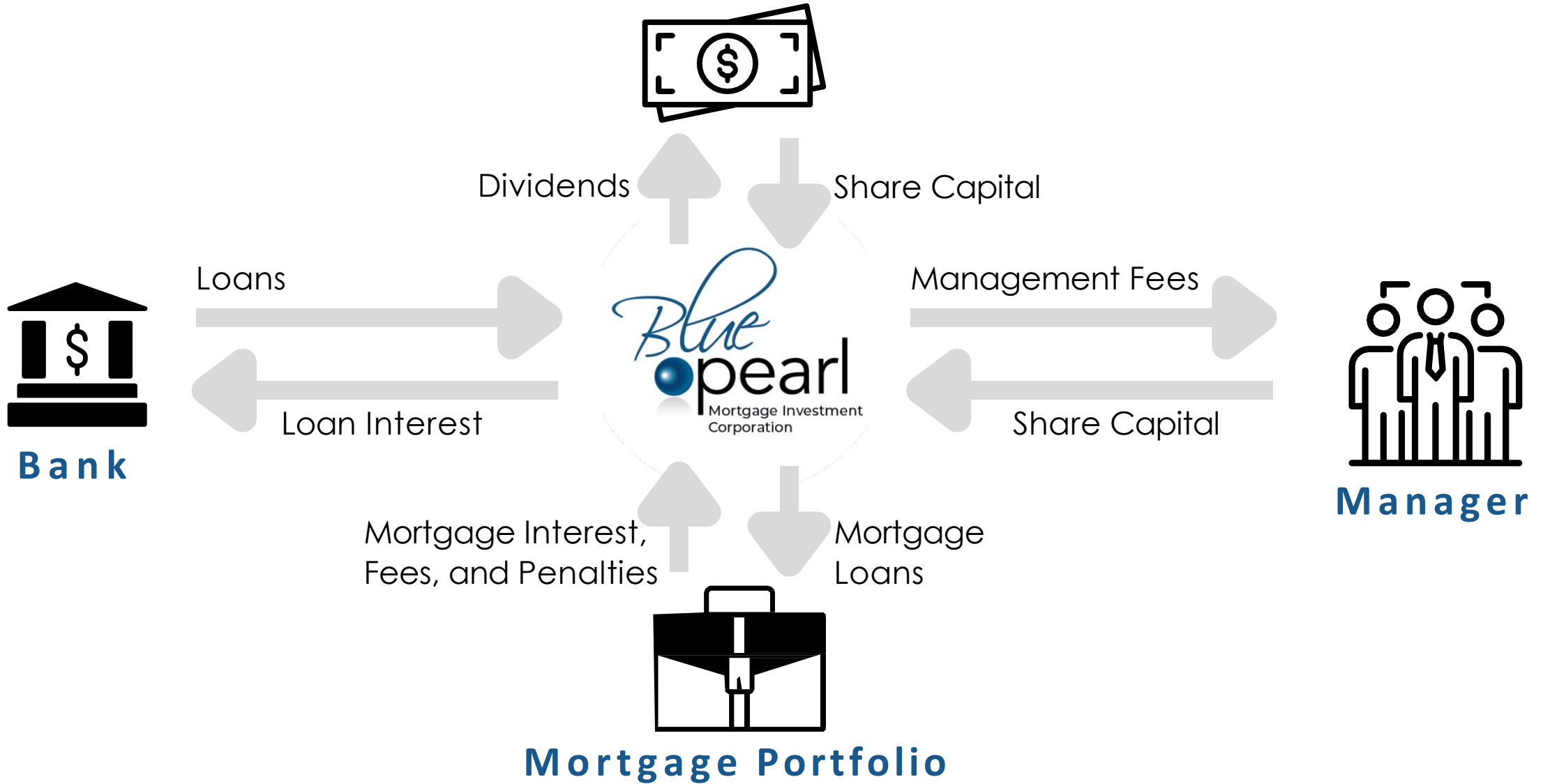
Benefit 2

Typically, income generated by the MIC, net of fees, loan interest and other operational expenses, is then paid out in the form of dividends to investors.

Benefit 3

The real estate-secured loans provided by MIC's are often short-term (6 to 36 months). As a result, mortgage portfolios are continuously managed with newly invested share capital and the proceeds from mortgages to fund new mortgages.

Investors



Blue Pearl MIC

Historically MIC's have seen tremendous industry demand and will continue to see revenues increase into the foreseeable future.

Trends suggest growth is primarily driven by the Canadian real estate market expecting to show much faster growth when compared to the global average, which is driven by housing demand far outpacing supply.

Blue Pearl Mortgage Investment Corporation will seek to take advantage of trends and growth in the market allowing investors to share in the benefits of the mortgage business.

The following presentation outlines a five-year strategy of Blue Pearl Mortgage Investment Corporation and accompanying financial forecasts that it anticipates achieving.



Introducing Blue Pearl Mortgage Investment Corporation, a MIC, located in Vancouver, British Columbia and lending in the lower mainland of BC.

Why Now?

The real estate market in Canada is expecting unprecedented compound annual growth through 2025 at over 10%.

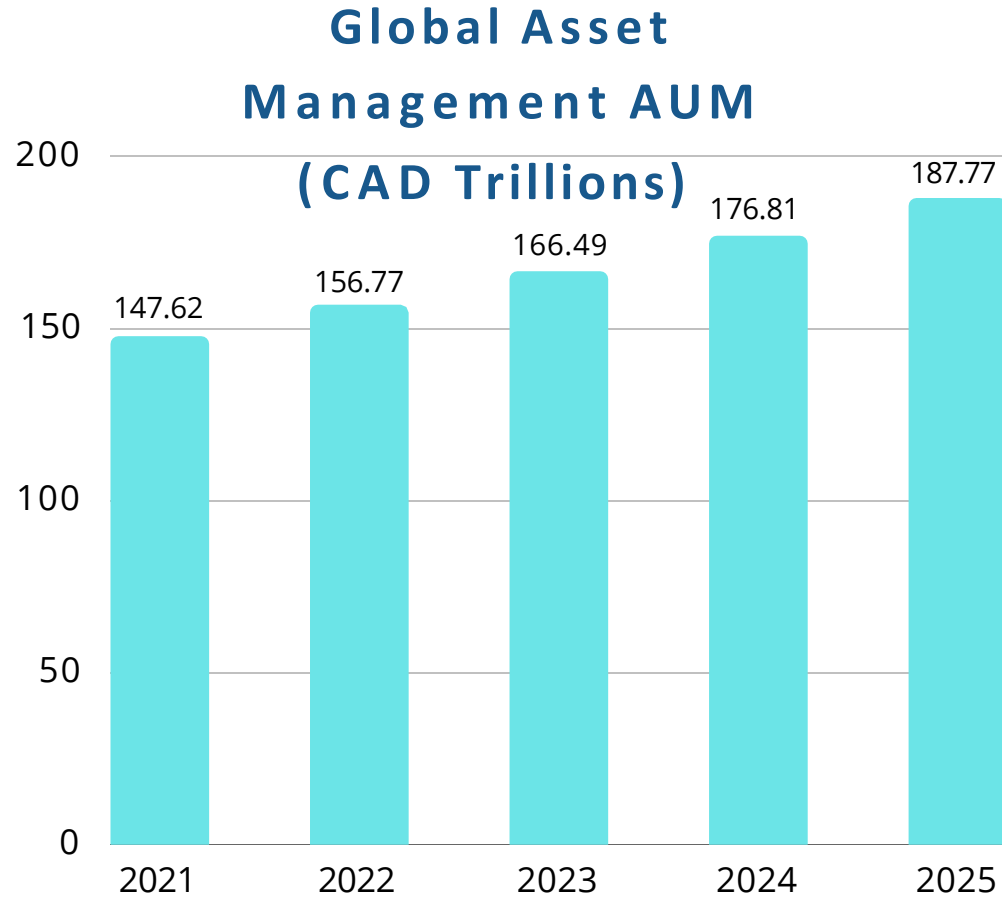
During inflationary markets, MIC investments are at their best. If the stock market goes down, it doesn't affect MIC's. As interest rates increase, so does Blue Pearl MIC's portfolio.

MIC's, are the fastest-growing segment in the Canadian mortgage industry due to their potential for competitive yields, diversified portfolios, and accessibility.

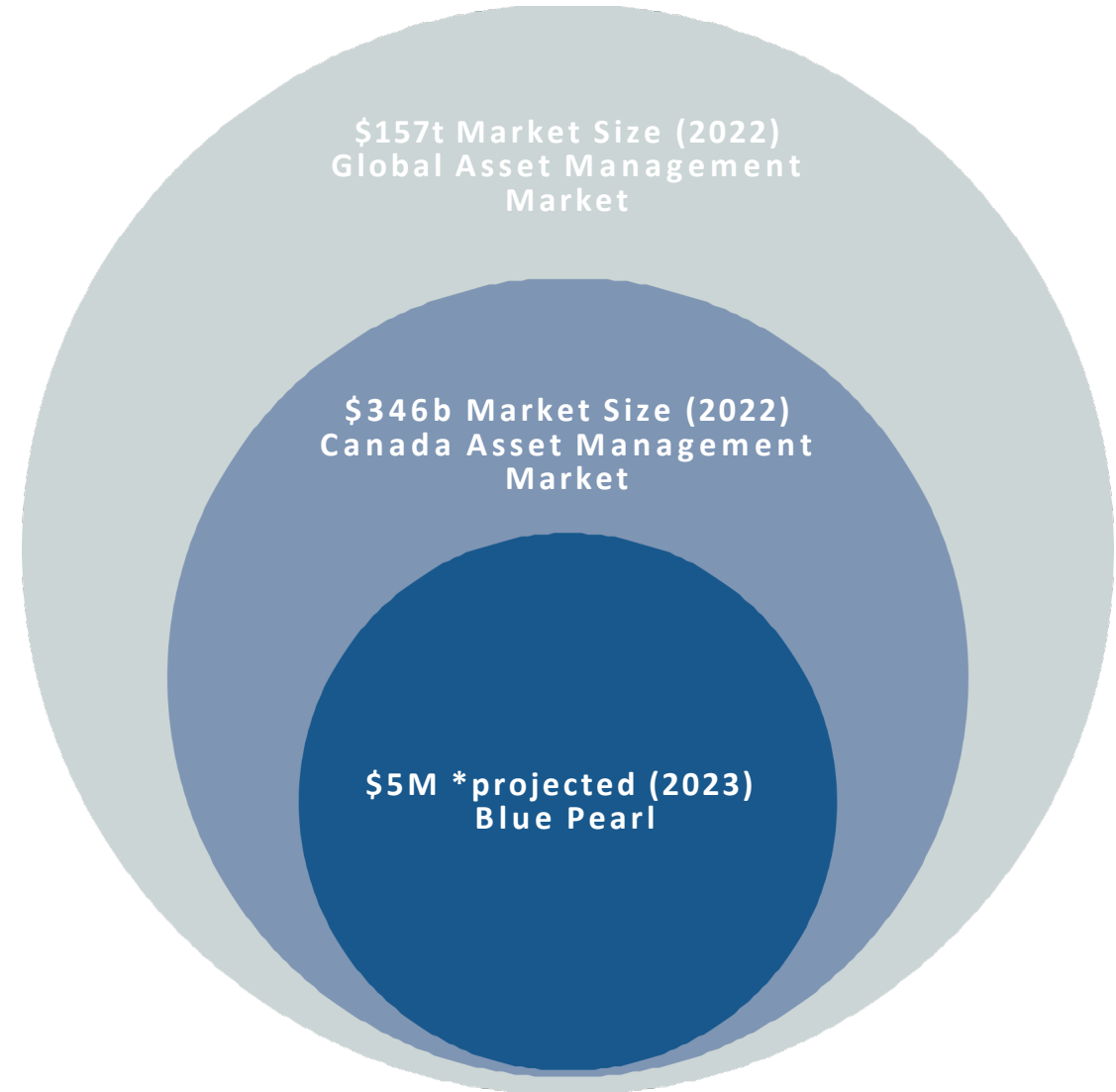
Unprecedented market volatility, protracted inflation, and aggressive interest rate hikes have prompted many investors to seek out asset classes that offer stability, security, and reliable access to their funds.



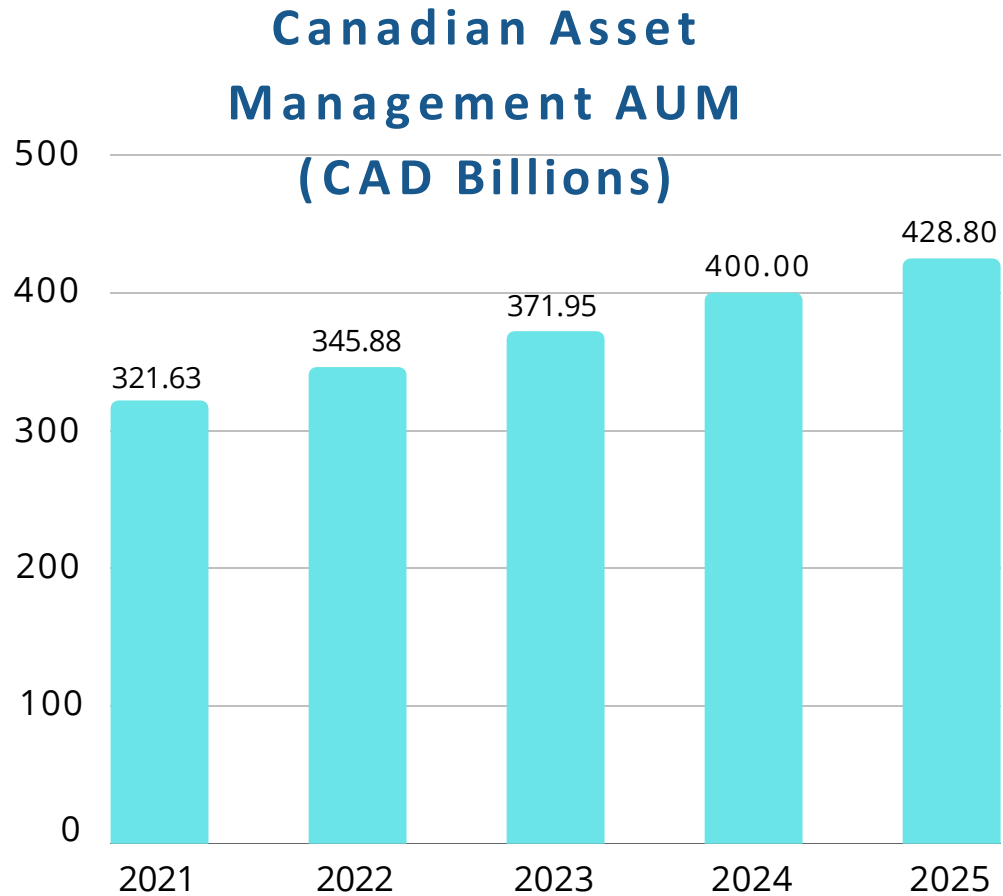
Global Asset Management Growth



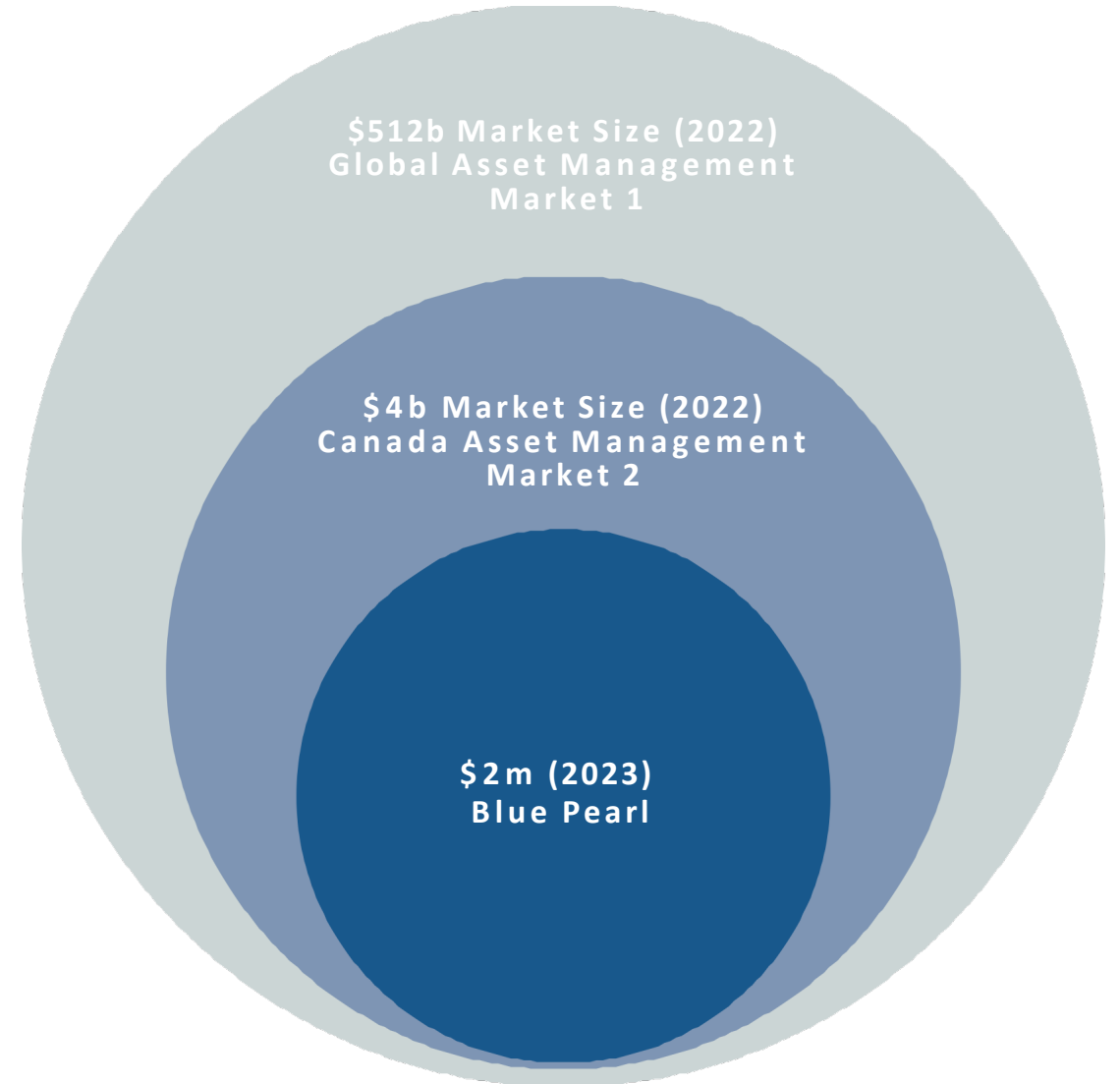
Assets Under Management



Canadian Asset Management Growth



Revenues



Competitive Landscape

- A new market segment: There are competitors on the market, however, simply put, none of the competitors listed below have earned equal or higher returns than that of Blue Pearl clients.
- Our clients are sourced through our brokerage arm. Competitors have to source clients through external brokers, which means the fund managers don't have as much of a relationship as the mortgage brokers who refer them, giving Blue Pearl Mortgage Investment Corporation a *distinct competitive advantage* in the marketplace.



Value Proposition

Since our incorporation in 2017, we have grown Blue Pearl Mortgage Investment Corporation's business based on *prudent lending practices* with the goal of *minimizing losses*. This growth and loss strategy has and will continue to result in *consistent and acceptable rates of return* on our invested capital compared to alternative investment opportunities for our shareholders.

Canada Wide

Blue Pearl Mortgage group is not limited to the lower mainland or British Columbia. For years the team has been providing services to Alberta, Ontario, Saskatchewan, and Manitoba with access to over 30 of Canada's top lending institutions.

Associated Business

The company is built with an associated business (Blue Pearl Mortgage Group) - a mortgage brokerage. This allows us to source through our brokerage arm versus external brokers, creating better relationships with our trusted clients.

Experienced Team

The Blue Pearl team is managed by a team of mortgage brokers with years of experience, with over 30 team members of mortgage brokers, underwriters, sales, fulfillment, and associates.

Competitive Returns

Combining these unique and prosperous traits in the market, Blue Pearl has grossed between 9.64% - 10.54% returns to investors over the past four years, higher than any of our competitors in the market.

Funding Required & Expected

Seeking an investment of \$10,000,000 over the next 12 months.
\$1.00 price per Class "A" non-voting participating (redeemable) shares. \$10,000 minimum investment for existing investors and a \$25,000 minimum investment for new shareholders.

Investment
\$10,000,000



Investment in Mortgages
(\$10,000,000)



Strategic 12 Month Objectives

Step 1

In order to meet the objectives hereafter, we need to obtain a continuous supply of both investment capital and qualified, performing mortgages. Firstly, the initial objective is to raise further investment capital and investing that capital in residential mortgages in British Columbia.

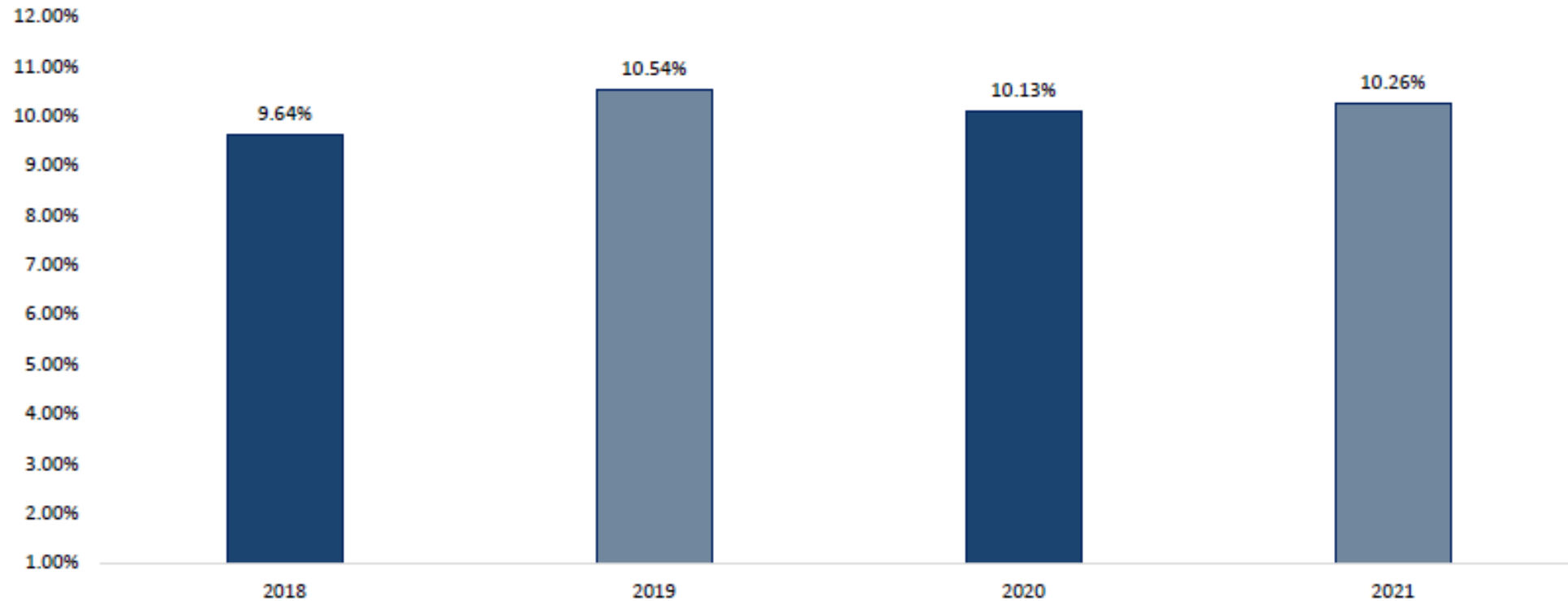
Step 2

Next, we will increase shareholders by 50%. We will use data and analytics to monitor the results of our efforts, adjust our strategy if needed, and eventually reach our goal. With hard work and dedication, we believe that increasing the number of shareholders by 50% is an achievable milestone.

Step 3

Thirdly, to attain an orderly and consistent growth of our earnings, assets, and operations in accordance with prudent lending practices while minimizing risk.

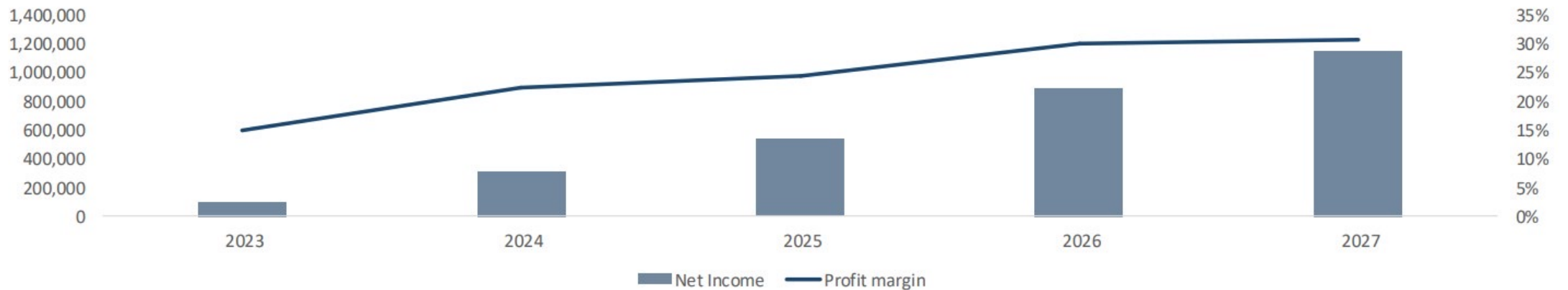
Previous Return History



Above is the detail of the annual returns paid to the shareholders are per the Corporation's audited year end financial statements as at September 30th.

Financial Output (CAD)

Financial Highlights						
	2023	2024	2025	2026	2027	5 years
Revenue	649,837	1,421,921	2,194,004	2,966,088	3,738,171	10,970,021
Gross profit	649,837	1,421,921	2,194,004	2,966,088	3,738,171	10,970,021
EBITDA	96,837	315,921	535,004	892,338	1,145,984	2,986,084
Net Income	96,837	315,921	535,004	892,338	1,145,984	2,986,084
Gross margin	100%	100%	100%	100%	100%	100%
EBITDA margin	15%	22%	24%	30%	31%	27%
Profit margin	15%	22%	24%	30%	31%	27%
New AUM	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
Total AUM	13,000,000	23,000,000	33,000,000	43,000,000	53,000,000	53,000,000



Get in Touch!



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[Interested in investing? Contact Norm Holmes
norm@drakefinancial.com for more information!](mailto:norm@drakefinancial.com)



What are the elements of a good REIT?

- A REIT is only as good as the managers' experience and ethical behaviour
- REIT history – a REIT with a long good history – although some newer REITs have short term advantages in returning higher yields
- Size – larger REITs provide greater liquidity whereas smaller REITs provide higher returns
- Property type – residential, commercial, industrial, etc.
- Assets locations (Risks and Returns can vary in different regions of Canada)
- Geographical composition (is the portfolio concentrated in one area or diverse? Urban or Rural?)
- Leveraged or Debt Free

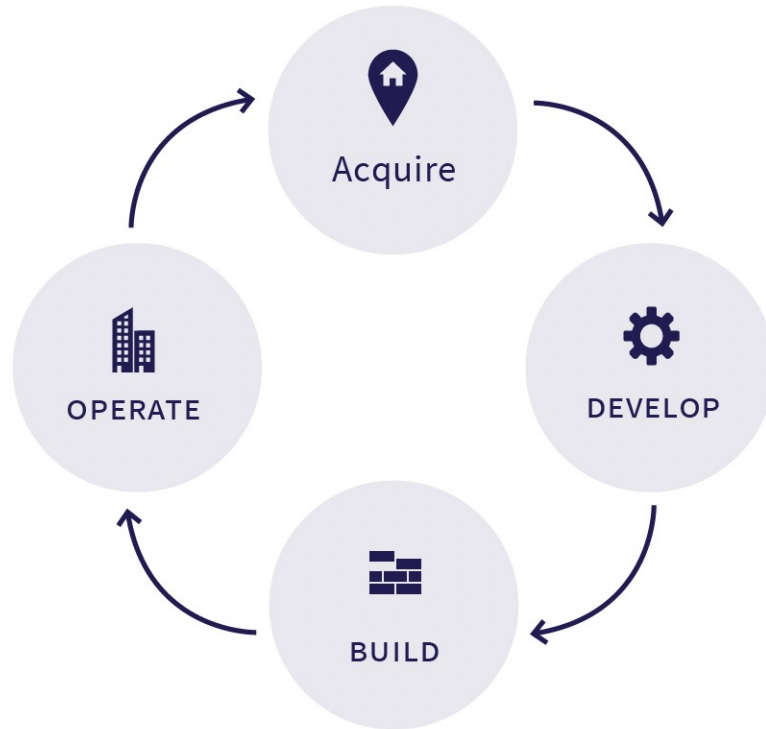


CASCADIA
GREEN

— R E I T —

Differentiating Factor

INVESTMENT ECOSYSTEM



Deal Flow Pipeline

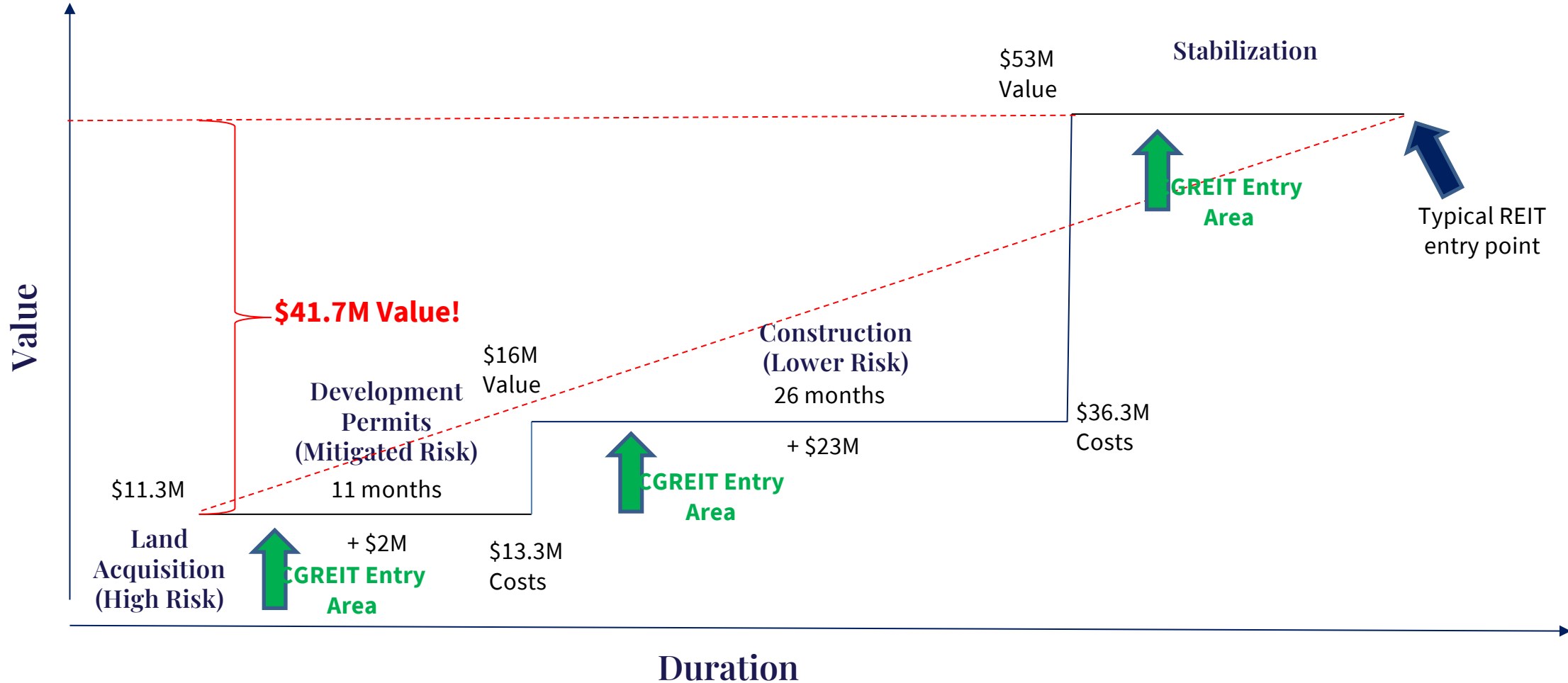
**First Right To Acquire
Properties (Access)**

**Full Circle Development
Ecosystem**

Why Cascadia?

Value Generating Process

Actual Example of Cascadia Green Development Project



Target Asset – AXIR



2590 Lonsdale Avenue, North Vancouver

- 64 Rental Units (Studio to Three Bedroom)
- Views of the Pacific Ocean, Downtown Vancouver, Lions Gate Bridge, Mountains
- 10 Minutes to Lonsdale Quay, Grouse Mountain, or Lions Gate Bridge.
- Across the street from the new Harry Jerome Recreation Centre underway.
- Daycare, School, Grocery and Restaurants nearby.

AXIR



Current State

- Target Occupancy – July 2023
- Target Full Lease Up – Fall 2023
- REIT has equity stake of Axir LP

Financing

- CMHC MLI Select – In Progress
- 50 Year Amortization
- Expecting 75% LTV

The Deal

- Purchase Price – Off market acquisition with favorable terms to market
- Projected Annual NOI - \$1.7M
- Target Capital Raise - \$10M

Returns

- Projected Return on Closing – 20%
- Projected Return Post-Stabilization - 50% (based on 3.5% cap rate)
- 5-year projections

Returns with Tax Advantages



8% Preferred Return



11%-14% Targeted Annual Net Return

- RRSP / TFSA eligible
- Return of Capital
- Accrued Return
- DRIP

Unit Classes



CASCADIA
GREEN
— R E I T —

**Class A
Units**

Minimum Investment of \$2,000
1.0% Asset Management Fee



CASCADIA
GREEN
— R E I T —

**Class F
Units**

Minimum Investment of \$50,000
0.5% Asset Management Fee



What is the next step?





Drake investment products can enhance your portfolio with higher yields and diversified asset classes

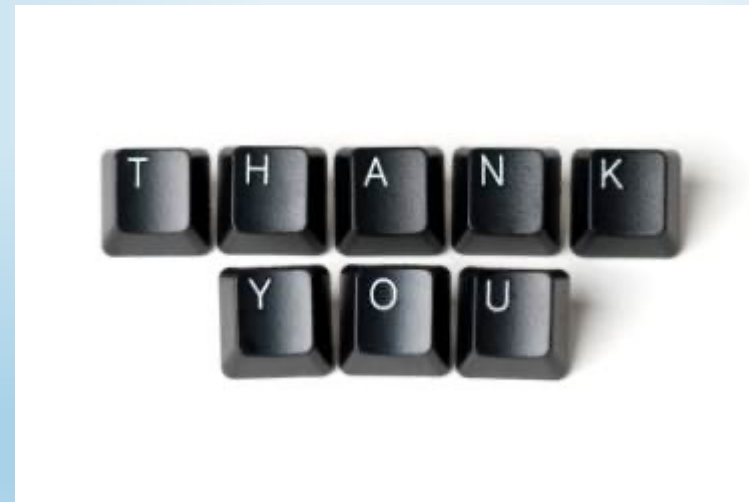
Come see us to learn more at booth 510

Visit our web site at drakefinancial.com

Peter, Donna or Norm are available to answer questions



Thank you for attending





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