# Form 45-106F1 Report of Exempt Distribution

## IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT

ITEM 1 - REPORT	YPE	
X New report	t If amended, provide filing date of report that is being amended.	-DD)
ITEM 2 – PARTY C	RTIFYING THE REPORT	
	ne report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of Investment Fund Continuous Disclosure and the companion policy to NI 81-106.	
Investment fun		
X Issuer (other th	an an investment fund)	
Underwriter		
Item 3 – Issuer N	AME AND OTHER IDENTIFIERS	
Provide the following informe	tion about the issuer, or if the issuer is an investment fund, about the fund.	
Full le	gal name Aydon Income Properties Inc.	
Previous full le	nal name	
	changed in the last 12 months, provide most recent previous legal name.	
	Website www.aydonproperties.com (if applicable)	
If the issuer has a logal entity	identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".	
Legal entity		
Legarennig		
Item 4 – Underw	RITER INFORMATION	
If an underwriter is completin	g the report, provide the underwriter's full legal name and firm National Registration Database (NRD) number.	
Full legal name		
Firm NRD number	(if applicable)	
If the underwriter does not he	ve a firm NRD number, provide the head office contact information of the underwriter.	
Street address		
Municipality	Province/State	
Country	Postal code/Zip code	
Telephone number	Website (if applicable	e)

ITEM 5 – ISSUER INFORMATION
If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.
a) Primary industry
Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that corresponds to the issuer's primary business activity. For more information on finding the NAICS industry code go to <b>Statistics Canada's NAICS industry search tool</b> .
NAICS industry code531310
If the issuer is in the <b>mining industry</b> , indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.
Exploration Development Production
Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.
Mortgages X Real estate Commercial/business debt Consumer debt Private companies
b) Number of employees
Number of employees: X 0 – 49 50 – 99 100 – 499 500 or more
c) SEDAR profile number
Does the issuer have a SEDAR profile?         No       X       Yes       If yes, provide SEDAR profile number       0       0       3       6       8       2       6         If the issuer does not have a SEDAR profile complete Item 5(d) – (h).
d) Head office address
Street address Province/State
Municipality Postal code/Zip code
Country Telephone number
e) Date of formation and financial year-end
Date of formation
f) Reporting issuer status
Is the issuer a reporting issuer in any jurisdiction of Canada? No Yes
If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.
g) Public listing status
If the issuer has a CUSIP number, provide below (first 6 digits only) CUSIP number
If the issuer is publicly listed, provide the names of all exchanges on which its securities are listed. Include only the names of exchanges for which the issuer has applied for and received a listing, which excludes, for example, automated trading systems.  Exchange names
h) Size of issuer's assets
Select the size of the issuer's assets for its most recent financial year-end (Canadian \$). If the issuer has not existed for a full financial year, provide the size of the issuer's assets at the distribution end date.
\$0 to under \$5M \$5M to under \$25M \$25M to under \$100M
\$100M to under \$500M \$500M to under \$1B \$1B or over

# ITEM 6 - INVESTMENT FUND ISSUER INFORMATION

If the issuer is an investr	nent fund, provide the following information.
a) Investment fund	manager information
Full legal name	
Firm NRD Number	(if applicable)
If the investment fund manage	er does not have a firm NRD number, provide the head office contact information of the investment fund manager.
Street Address	
Municipality	Province/State
Country	Postal code/Zip code
Telephone number	Website (if applicable)
b) Type of investme	int fund
Money market Balanced	most accurately identifies the issuer (select only one).  Equity  Alternative strategies  of the following apply to the investment fund.
	in other investment fund issuers
Is a UCITs Fund	
	stment of Transferable Securities funds (UCITs Funds) are investment funds regulated by the European Union (EU) directives that allow perate throughout the EU on a passport basis on authorization from one member state.
c) Date of formation	and financial year-end of the investment fund
Date of formation	YYYY     MM     DD     MM     DD
d) Reporting issuer	status of the investment fund
Is the investment fund a repor	ting issuer in any jurisdiction of Canada? No Yes
If yes, select the jurisdictions of All	f Canada in which the investment fund is a reporting issuer. AB BC MB NB NL NT NU ON PE QC SK YT
e) Public listing stat	us of the investment fund
If the investment fund has a C CUSIP number	USIP number, provide below (first 6 digits only).
	cly listed, provide the names of all exchanges on which its securities are listed. Include only the names of exchanges has applied for and received a listing, which excludes, for example, automated trading systems.
Exchange names	
f) Net asset value (	NAV) of the investment fund
Select the NAV range of the in \$0 to under \$5M \$100M to under \$500M	westment fund as of the date of the most recent NAV calculation (Canadian \$).         \$5M to under \$25M       \$25M to under \$100M         \$500M to under \$1B       \$1B or over       Date of NAV calculation:         YYYY       MM       DD

## ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information abc purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees, should be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.				
a) Currency				
Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.         X       Canadian dollar         US dollar       Euro         Other (describe)				
b) Distribution date(s)				
Start date         2017         03         16         End date         2017         03         16           YYYY         MM         DD         YYYY         MM         DD				
c) Detailed purchaser information				
Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.				
d) Types of securities distributed				
Canadian \$	_			
Security     COSIP number     Description of security     INumber of securities     Iowest price     Highest price     Total amount				
0 B S 054690102 warrant 1,055,000 0.10 0.10 105,500				
C     V     D     Convertible Secured Subordinate Debentures. Annual simple interest of 10%     4     421,000				
e) Details of rights and convertible/exchangeable securities				
If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeab securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.	!e			
Security code         Underlying security code         Exercise price (Canadian \$)         Expiry date (YYYY-MM-DD)         Conversion ratio         Describe other terms (if applicable)				
a)       Currency         Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.         X       Canadian dollar       US dollar       Euro       Other (describe)         b)       Distribution date(s)         State the distribution start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.         Start date       2017       03       16         YYYY       MM       DD       Pryry       MM         C)       Detailed purchaser information         Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.         d)       Types of securities distributed         Provide the following information for all distributions that take place in a jurisdiction of Canada on a per security basis. Refer to Part A of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.         Security       CUSIP number (ripplecable)       Description of security       Number of security securities fortal amount warrant         u       B       054690102       Units consisting of one common share and one 1,055,000       0.10       0.10       105,500         u       D       <				
W         N         T         C         M         S         0.15         0.20         2019-03-13         1 to 1         one additional common share for \$0.15 in year 1 and \$0.20 in year 2.				
C       V       D       C       M       S       0.15       0.20       2018-12-03       into common shares at a price of \$0.30 per common shares at a price of \$0.30 per common share within the 1 <sup>st</sup> year and \$0.50 until December 3, 2018.	)			
the debentures into units of AIP Limited Partnership at a price paid for these units b				
f) Summary of the distribution by jurisdiction and exemption				

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of purchasers	Total amount (Canadian \$)
British Columbia	NI 45-106 2.5 [Family, friends and business associates]	5	80,500
Alberta	NI 45-106 2.5 [Family, friends and business associates]	1	279,000

	Total number of unique purchasers <sup>2</sup> 10					
	Total dollar amount of securities distributed					
United Arab Emirates	NI 45-106 2.5 [Family, friends and business associates]	1	13,000			
South Africa	NI 45-106 2.5 [Family, friends and business associates]	2	151,000			
United States	NI 45-106 2.5 [Family, friends and business associates]	1	3,000			

<sup>2</sup>In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

#### g) Net proceeds to the investment fund by jurisdiction

If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.<sup>3</sup> If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Net proceeds (Canadian \$)
Total net proceeds to the investment fund	

<sup>3</sup>"Net proceeds" means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.

#### h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.

If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.

In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.

	Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)
1.				
2.				
3.				

ITEM 8 – COMPENSATI	ON INFORM	IATION						
Provide information for each person with the distribution. <b>Complete ad</b>							•	ection
Indicate whether any compensation	n was paid, or will	be paid, in connec	tion with the	e distributio	on.			
No X Yes	If ye	s, indicate number	of persons	compensa	ted.	2		
a) Name of person comp	pensated and re	egistration status	3					
Indicate whether the person competence of the	nsated is a registr	ant.						
If the person compensated is an ind	lividual, provide tl	he name of the ind	ividual.					
Full legal name of individua	al	Carkeek		David		С		
		mily name		rst given nan	ne	Secondary giv	en names	
If the person compensated is not an	r	de the following in	formation.					1
Full legal name of r	non-individual							
Firm	NRD number				(if applica	able)		
Indicate whether the person competition	nsated facilitated	the distribution the	rough a fund	ding portal	or an inte	rnet-based portal.		
b) Business contact info	rmation							
If a firm NRD number is not provide	ed in Item 8(a), pr	ovide the business	contact info	rmation of	the perso	n being compense	ited.	
Street address	3779 Princess	Ave						
Municipality	North Vancouv	/er		Provinc	e/State	British Colum	bia	
Country	Canada		Pos	tal code/Z	ip code	V7N 2E6		Ē
Email address	dcc@aydonpro	operties.com		elephone i	-	604-760-9212	2	
c) Relationship to issuer	or investment	fund manager						_
Indicate the person's relationship w of the Instructions and the meaning	ith the issuer or ir of "control" in se	nvestment fund ma ection 1.4 of NI 45-					of "connected" in Pa	rt B(2)
		-						
Director or officer of th	ne investment fun	d or investment fu	nd manage	r				
Employee of the issue	er or investment f	und manager						
None of the above								
d) Compensation details	5							
in Canadian dollars. Include cash co services incidental to the distributio	ommissions, secur n, such as clerical	ities-based compe , printing, legal or	nsation, gifts accounting s	s, discounts services. An	or other o issuer is r	compensation. Do not required to as	not report payments k for details about, o	s for
Value of all securities distributed as compensation <sup>4</sup>		Sec	urity codes	Security	code 1	Security code 2	Security code 3	
Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.            Connected with the issuer or investment fund manager             X Insider of the issuer (other than an investment fund)             Director or officer of the investment fund or investment fund manager             Employee of the issuer or investment fund manager             None of the above             O Compensation details             Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.             Cash commissions paid             Supprint codes								
Other compensation <sup>5</sup>		Describe						
Total compensation paid	\$3,000.00							
Check box if the person	. ,	ve any deferred co	ompensatior	n (describe	the terms	s below)		
<sup>4</sup> Provide the aggregate value of all securit Indicate the security codes for all securitie <sup>5</sup> Do not include deferred compensation.								

ITEM 8 – COMPENSATION INFORMATION	
Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. Complete additional copies of this page if more than one person was, or will be, compensated.	n
Indicate whether any compensation was paid, or will be paid, in connection with the distribution.	
No X Yes If yes, indicate number of persons compensated.	
a) Name of person compensated and registration status	
Indicate whether the person compensated is a registrant.	
If the person compensated is an individual, provide the name of the individual.	
Full legal name of individual     Jackson     David	
Family name First given name Secondary given names	
If the person compensated is not an individual, provide the following information.	
Full legal name of non-individual	
Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.           X         No         Yes           Yes         Yes         Yes	
b) Business contact information	
If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.	
Street address 202, 288 West 8 <sup>th</sup> Avenue	
Municipality Vancouver Province/State British Columbia	
Country Canada Postal code/Zip code V5Y 1N5	
Email address       davidjackson9@me.com       Telephone number       604-657-8613	
c) Relationship to issuer or investment fund manager	
Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B( of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section. Connected with the issuer or investment fund manager X Insider of the issuer (other than an investment fund) Director or officer of the investment fund or investment fund manager	2)
Employee of the issuer or investment fund manager	
None of the above	
d) Compensation details	
Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer. Cash commissions paid \$3,050.00	
Value of all securities distributed as compensation <sup>4</sup>	
Describe terms of warrants, options or other rights	
Other compensation <sup>5</sup> Describe       Total compensation paid     \$3,050.00	
Check box if the person will or may receive any deferred compensation (describe the terms below)	
<sup>4</sup> Provide the aggregate value of all securities distributed as compensation, <u>excluding</u> options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, <u>including</u> options, warrants or other rights exercisable to acquire additional securities of the issuer. <sup>5</sup> Do not include deferred compensation.	

ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER
If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.
Indicate whether the issuer is any of the following (select all that apply).
X Reporting issuer in any jurisdiction of Canada
Foreign public issuer
Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada <sup>6</sup>
Provide name of reporting issuer
Wholly owned subsidiary of a foreign public issuer <sup>6</sup>
Provide name of foreign public issuer
Issuer distributing eligible foreign securities only to permitted clients <sup>7</sup>
<i>If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.</i> <sup>6</sup> An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>7</sup>Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

If the issuer is none of the above, check this box and complete Item 9(a) - (c).

a) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Family name	First given name	Secondary given names	Business location of non-individual or residential jurisdiction of individual		issuer	
			Province or country	D	0	Р
	Family name			Family nameFirst given nameSecondary given namesnon-individual or residential jurisdiction of individual	Family name         First given name         Secondary given names         non-individual or residential jurisdiction of individual         Rei	Family name         First given name         Secondary given names         non-individual or residential jurisdiction of apply)         Relationshi issuer (select all tapply)

b) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	0
c) Residential address of each individual						

Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

### ITEM 10 - CERTIFICATION

Provide the following certification and business contact information of an officer or director of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may not be delegated to an agent or other individual preparing the report on behalf of the issuer or underwriter. If the individual completing and filing the report is different from the individual certifying the report, provide their name and contact details in Item 11. The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

#### IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT

By completing the information below, I certify to the securities regulatory authority or regulator that:

- I have read and understand this report; and
- all of the information provided in this report is true.

1	•					
Full legal name	Wadhwani	Vid				
	Family name	First given name	e	Secondary given names		
Title	Chairman and Chief Financial Officer					
Name of issuer/underwriter/ investment fund manager	Aydon Income Properties Inc.					
Telephone number	1-855-322-7771	Email address	info@aydonproperties.com			
Signature	" Vid Wadhwani"	Date	2017	03	24	
		•	YYYY	MM	DD	

### ITEM 11 - CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

Same as ind	ividual certifying the repo	ort			
Full legal name	Moroney	Donna	М.	Title	President
	Family name	First given name	Secondary giv names	ven	
Name of company	Wiklow Corporate Serv	ices Inc.			
Telephone number	604-696-4236		Email address	dmoroney@wik	low.com

#### Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedule 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the security regulatory authority's or regulator's indirect collection of the information, and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.