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THREE POINT CAPITAL CORP.
Virtual Annual General Meeting – March 16, 2023
AGENDA

Chairman: Don Crompton

Call to Order

1) Welcome & Introductions

2) President's Message

3) Portfolio Report

4) Presentation of 2022 Audited Financial Statements

5) Appointment of Auditor for 2023

6) Setting of Number of Directors

7) Election of Directors

8) New Business, if any

9) Closing Remarks

2022 Annual Review, President's Message & 2023 Vision Report.

In 2022, rather than COVID-19, it was rapidly rising interest rates, cooling real estate values and steep inflation that dominated the headlines. Interest rates increased 7 times in 2022 for a total of 4%, settling at 4.25% as the year ended. With the overheated real estate market peaking in March and stock markets continuing to mount losses, Three Point Capital increased the company's monthly distribution from 5% to 5.5%, achieved a loan loss rate of zero for the year, welcomed $15.5 million in new share capital and funded a record setting $162 million in new mortgages. We are pleased to announce that the company met its dividend target for the year by delivering 5.9%. The target yield for 2023 is 7%.

2022 in Review

In the first quarter of 2022 the Bank of Canada increased their policy interest rate for the first time since 2018. We continued to experience strong mortgage activity in both new fundings and mortgage payouts, funding a total of $45.9 million in new mortgages and receiving $29.5 million in mortgage payouts resulting in net portfolio growth of $17 million.

In the second quarter of 2022, as interest rates were increased 2 more times, we continued to experience strong mortgage activity in both new fundings and mortgage payouts. Much of this activity was from mortgage approvals in Q1 now funding in Q2, as you can see from the Funding vs Payout chart on the next page. In the second quarter we funded a total of $55 million in new mortgages and received $37.5 million in mortgage payouts, resulting in net portfolio growth of $17.5 million.

We took the third quarter of 2022 as an opportunity to slow our new lending activity while we monitored the pace of cooling in the real estate market. We further tightened our disciplined approach to underwriting in the third quarter. We lowered the loan-to-value ratio on mortgages we were prepared to lend on, which lowered our weighted average loan-to-value of the portfolio. We reduced the size of mortgage that we were prepared to lend on, which decreased the average mortgage size within the portfolio and we modestly increased our contingency reserves to account for the cooling real estate market. With this more cautious approach, we funded a total of $35 million in new mortgages and received $32 million in mortgage payouts resulting in net portfolio growth of only $2.8 million for the quarter. We were also able to increase the monthly dividend distribution from an annualized 5% to 5.5% in Q3.

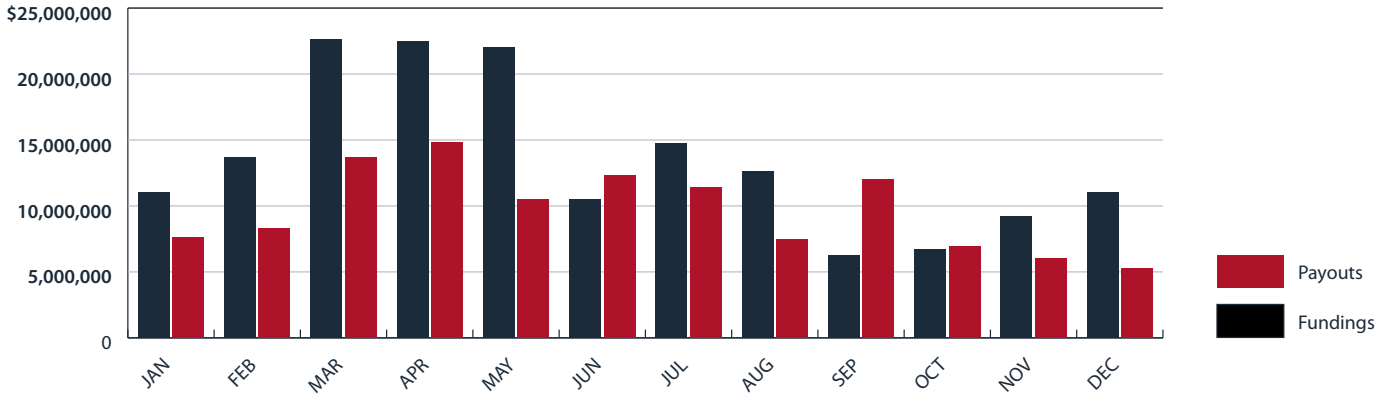
The fourth quarter of 2022 saw us maintain our cautious lending volume as we continued to watch the pace in which real estate values were adjusting to the higher interest rates. We funded a total of $26 million in new mortgages and received $18 million in mortgage payouts, resulting in net portfolio growth of $8 million, ending the quarter and the year, with a total portfolio of $181 million (up from $173 million in Q3 2022 and up from $136 million at 2021 year-end). We managed to accomplish this while also maintaining both the portfolio's conservative weighted average loan-to-value at 52.7% and the concentration of first position mortgages at 92% of the portfolio.

At year-end 61% of the portfolio was in BC, 34% in Ontario, 4% in Alberta and 0.5% in each Saskatchewan and Manitoba.

Default in the portfolio remained low and stable throughout the year. Beyond unrecoverable legal expenses, there were zero portfolio losses during the year. In Q4, we demanded the arrears on two Ontario files and both borrowers brought their accounts current. Two foreclosures (one in BC and one in ON) commenced during the second half of 2022 and those are continuing through due process with lawyers, one of them now in a 6 month redemption period and listed for sale by the borrowers (BC). Early in 2023, we have only one Ontario file where we may proceed to legal action. At this point, we are comfortable with our exposure on each of these properties.

Given the steep pace at which interest rates rose, we are watching for any trends in default and delinquency. It is too early to see any overall trends, but given increased interest rates, inflation, and resulting pressures on Canadian families, more challenges for borrowers to manage financially is expected. The overall loan-to-value of the portfolio at 52.7% positions the company well to manage through a softening market.

FUNDINGS VS PAYOUTS



"Three Point Capital increased the company's monthly distribution from 5% to 5.5%, achieved a loan loss rate of zero for the year, welcomed $15.5 million in new share capital and funded a record setting $162 million in new mortgages."

2023 Vision
Looking Forward

Dividend Yield

Looking forward as we work to establish targets and expectations for 2023, we needed to understand how much of the portfolio was still at our previously low interest rates and at what point this year they would either renew at today's higher rates or payout and provide us those funds back to re-lend at higher rates. We then needed to analyze how long this portfolio turnover would take to impact our dividend in a meaningful way . With that in mind, as we continue to manage this mortgage portfolio with discipline and care and not seek out higher risk for higher rate mortgages in an attempt to increase our return, we are pleased to report that we have set our overall target dividend for 2023 at 7%.

We can also confirm that in 2023, provided Director approval, the company intends to maintain its monthly dividend distribution to shareholders at 5.5% per annum and fully anticipates paying another top-up dividend to shareholders as at December 31, 2023 to reflect the actual performance of the company for the year. As our dividend yield is expected to rise as our portfolio continues to incorporate more higher rate mortgages, we will monitor the 5.5% monthly dividend as the year progresses to see if there is an opportunity to again increase that monthly distribution.

This yield target of 7% for 2023 is a result of the strength and stability of the predominantly 1st position mortgage portfolio, coupled with rising interest rates as we continue to prioritize lower loan-to-value ratios to higher quality borrowers.

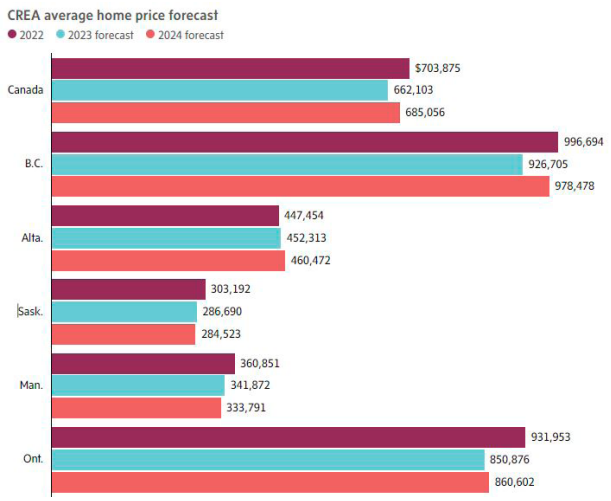
> "We have set our overall target dividend for 2023 at 7%."

Interest Rates & Real Estate Market

If 2021 was considered the year of historically low interest rates, 2022 would be considered the year of historically steep interest rate increases. Over the past eleven months the Bank of Canada has increased its policy rate 7 times, to 4.25% from 0.25% with single minded determination. Yet still, the Canadian economy has more momentum than the bank would like to see. Provided the January 25th increase is the final rate increase by the bank, we expect market stability to begin to settle in. Rates are likely to remain high until mid to late 2024, resulting in a more stable real estate market where tighter qualification standards at traditional lenders are expected to lead to a heighted demand for our product and positive impact on our dividend yield.

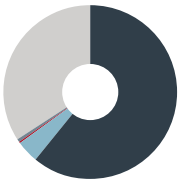
Predicting a bottom or rebound point in the housing market is difficult. Many reports suggest that home prices are expected to bottom out in early 2023 with a peak-to-trough decline of around 20%. Although prices have dropped, with more downward pressure still expected, they are still higher than pre-pandemic levels. We feel the fundamentals of the housing market are still very strong. Aggressive immigration targets will keep demand strong and due to higher interest rates, which lead to higher cost of construction, coupled with the shortage of supply of labour and trades, more new projects required to supply the new demand are being cancelled. As we have always stated, we prefer stability in the housing market. The market needed a reset and this was good for lenders like Three Point. As you can see on the next page graphic, both values and activity in the markets we lend in are expected to rise in 2024.

We still do expect to see an increase in forced sales, some homeowners will simply not be able to afford their mortgage payments at these new rates. Investment properties may no longer have rental income covering mortgage payments. All of this will result in some pain for Canadian borrowers but at its core, we remain very confident in the Canadian housing market and more specifically, the Three Point portfolio.



Portfolio

Within the portfolio in 2023, as real estate values begin to settle, we do expect our average mortgage size to remain stable at the $395,000 - $415,000 range. We also expect to see our weighted average loan-to-value remain conservative in the 52% - 58% range. We expect more of the portfolio will be located in Ontario as we build more balanced diversification between BC and Ontario. The portfolio is 100% secured against residential homes, 92% of which is in the first position; we expect this continue throughout 2023.



LOCATION

- British Columbia **61%**
- Alberta **4%**
- Saskatchewan **.5%**
- Manitoba **.5%**
- Ontario **34%**

TYPE

- Residential **100%**

RANK

- First **92%**
- Second **8%**

Share Capital & Growth

The growth in assets under management held by the country's leading MICs significantly outpaced that of conventional lenders in 2022. There has been a surge in well qualified borrowers in Canada that due to the increasing difficulty in qualifying with a traditional lender have turned to MICs like Three Point. As we see the stability return to the real estate market in 2023, while interest rates remain high, we are in an enviable position to accept new share capital and take advantage of these strong opportunities as they present themselves. As the year progresses and our dividend yield grows stronger, we expect to become increasingly more attractive than the current high rate GICs and the wild volatility in the stock markets.

In 2023 we are looking to actively grow our share capital base and as always, our preference is to grow our fund by working closely with those that have supported us over the years. We welcome the opportunity at Three Point Capital Wealth to continue to meet with your friends and family and we would be pleased to meet with your younger generations should they have interest.

Summary

Three Point's discipled approach to lending will continue to anchor the company's growth in 2023. High interest rates will hold for the balance of the year and the anticipated pause in rate increases by the Bank of Canada should provide added stability to the markets. As our dividend yield continues to rise with the turnover of lower rate mortgages within the portfolio, we expect to attract additional new share capital from the community that will contribute to modest portfolio growth during the year.

Grant Thornton

Financial Statements

Three Point Capital Corp.

December 31, 2022

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Grant Thornton

Independent Auditor's Report

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To the shareholders of
Three Point Capital Corp.

Opinion

We have audited the financial statements of Three Point Capital Corp**.** ("the Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of net income and comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Three Point Capital Corp. as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton LLP

Kelowna, Canada
March 10, 2023

Chartered Professional Accountants

Three Point Capital Corp.
Statement of Financial Position

December 31	**2022**	2021
Assets		
Prepaid expenses	**$ 215,068**	$ 36,849
Mortgages receivable (Note 5)	**181,102,955**	136,120,907
Accounts receivable	**-**	74,878
	181,318,023	136,232,634
Liabilities		
Bank indebtedness (Note 7)	**60,309,386**	33,054,302
Payables and accruals	**435,910**	307,195
Promissory note payable (Note 8)	**1,430,915**	451,844
Dividends payable	**703,171**	891,789
Unearned revenue	**261,035**	-
	63,140,417	34,705,130
Shareholders' equity		
Share capital (Note 9)	**117,248,060**	100,808,942
Retained earnings	**929,546**	718,562
	118,177,606	101,527,504
	$ 181,318,023	$ 136,232,634

Commitment (Note 12)
Post-reporting date events (Note 15)

On behalf of the Board

_____ Director _____, Director

Three Point Capital Corp.
Statement of Net Income and Comprehensive Income

Year ended December 31	**2022**	2021
Financial income		
Mortgage interest	**$ 11,807,705**	$ 8,378,222
Lender fees and penalties	**1,284,294**	877,877
	13,091,999	9,256,099
Expenses		
Dealer services fees (Note 11)	**335,324**	282,739
Directors' fees	**40,513**	35,406
Interest and bank charges	**2,588,059**	626,570
Licences and insurance	**40,036**	25,729
Management fees (Note 11)	**3,218,179**	2,316,858
Office and administration	**12,502**	13,881
Professional fees	**31,272**	37,713
Provision for credit losses (Note 6)	**116,329**	86,334
Share trustee fees	**945**	4,355
	6,383,159	3,429,585
Net income and comprehensive income	**$ 6,708,840**	$ 5,826,514

Three Point Capital Corp,
Statement of Changes in Shareholders' Equity

December 31, 2022

	Share capital	Retained earnings	Total
Balance on December 31, 2020	**$ 82,790,611**	**$ 503,583**	**$ 83,294,194**
Net income and comprehensive income	-	5,826,514	**5,826,514**
Dividends (Note 10)	-	(5,611,535)	**(5,611,535)**
Issuance of share capital:			
Dividends reinvested by shareholders	4,706,926	-	**4,706,926**
For cash consideration	16,914,397	-	**16,914,397**
Redemption of share capital	(3,557,363)	-	**(3,557,363)**
Share issuance costs	(45,629)	-	**(45,629)**
Balance on December 31, 2021	**$ 100,808,942**	**$ 718,562**	**$ 101,527,504**
Net income and comprehensive income	-	6,708,840	**6,708,840**
Dividends (Note 10)	-	(6,497,856)	**(6,497,856)**
Issuance of share capital:			
Dividends reinvested by shareholders	5,028,216	-	**5,028,216**
For cash consideration	15,473,737	-	**15,473,737**
Redemption of share capital	(4,018,062)	-	**(4,018,062)**
Share issuance costs	(44,773)	-	**(44,773)**
Balance on December 31, 2022	**$ 117,248,060**	**$ 929,546**	**$ 118,177,606**

Three Point Capital Corp.
Statement of Cash Flows

Year ended December 31	**2022**	2021
Increase (decrease) in cash		
Operating activities		
Net income and comprehensive income	**$ 6,708,840**	$ 5,826,514
Adjustments for non-cash items		
Provision for credit losses	**116,329**	86,334
Changes in non-cash operating working capital		
Accounts receivable	**74,878**	(19,704)
Payables and accruals	**128,715**	51,212
Unearned revenue	**261,035**	-
Prepaid expenses	**(178,219)**	(5,557)
	7,111,578	5,938,799
Financing activities		
Issuance of share capital, net of issuance costs	**15,428,964**	16,868,768
Redemption of share capital	**(4,018,062)**	(3,557,363)
Dividends paid	**(1,658,257)**	(1,296,897)
Proceeds from promissory notes payable, net	**979,070**	451,844
	10,731,715	12,466,352
Investing activities		
Mortgages receivable, net	**(45,098,378)**	(36,140,297)
Net increase in bank indebtedness	**(27,255,084)**	(17,735,146)
Bank indebtedness, beginning of year	**(33,054,302)**	(15,319,156)
Bank indebtedness, end of year	**$ (60,309,386)**	$ (33,054,302)

Supplemental cash flow information	**2022**	2021
Issuance of share capital in settlement of dividends payable	**$ 5,028,216**	$ 4,706,926

See accompanying notes to the financial statements

1. Governing legislation and nature of operations

Three Point Capital Corp. ("the Company") is incorporated under the Companies Act of British Columbia and operates as a mortgage lender primarily in Western Canada and Ontario. The Company is restricted to the guidelines of a Mortgage Investment Corporation, as defined by Section 130.1(6) of the Income Tax Act of Canada. The Company's head office is located at 210 - 1980 Cooper Road, Kelowna, Canada.

These financial statements have been approved and authorized for issue by the Board of Directors on March 10, 2023.

2. Summary of presentation and statement of compliance

Basis of presentation

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

The Company's functional and presentation currency is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. Summary of significant accounting policies

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for trade receivables that do not contain a significant financing component, which are measured at their transaction price, all financial assets are initially measured at fair value. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through other comprehensive income ("FVOCI"); or
- fair value through profit or loss ("FVTPL").

In the periods presented, the Company does not have any financial assets categorized as FVOCI or FVTPL.

(continued)

3. Summary of significant accounting policies (*continued*)

Financial instruments (*continued*)

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. The Company's mortgages receivable and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment standards require the use of forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include all financial assets measured at amortized cost.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second and third categories.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(continued)

3. Summary of significant accounting policies (*continued*)

Financial instruments (*continued*)

Classification and measurement of financial liabilities

The Company's financial liabilities include bank indebtedness, loan payable, payables and accruals, promissory note payable and dividends payable.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Bad debts written off

Bad debts are written off from time to time as determined by management and approved by the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the allowance for impaired mortgages receivable, if a Stage 2 or Stage 3 allowance for impaired mortgages receivable had previously been recognized. If no allowance had been recognized, the write offs are recognized as expenses in net income and comprehensive income.

Share capital – Classification of Class A redeemable shares

Redeemable shares are classified as equity instruments when:

- The redeemable shares entitle the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation;
- The redeemable shares are in the class of instruments that is subordinate to all other classes of instruments;
- All redeemable shares in the class of instruments that is subordinate to all other classes of instruments have identical features;
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Company's net assets; and
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Company over the life of the instrument.

In addition to the redeemable shares having all of the above features, the Company must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Company; and
- The effect of the substantially restricting or fixing the residual return to the redeemable shareholders.

(continued)

3. Summary of significant accounting policies (*continued*)

Share capital – Classification of Class A redeemable shares (*continued*)

The Company continuously assesses the classification of the redeemable shares. If the redeemable shares cease to have all the features, or meet all the conditions set out, to be classified as equity, the Company will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in equity. If the redeemable shares subsequently have all the features and meet the conditions to be classified as equity, the Company will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable shares are accounted for as equity transactions.

Upon the issuance of shares, the consideration received is included in equity. Transaction costs incurred by the Company in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Redeemable equity instruments reacquired by the Company and returned to treasury are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs. No gain or loss is recognized in the Statement of Net Income and Comprehensive Income on the purchase, issuance or cancellation of the Company's own redeemable equity instruments.

Revenue recognition

Revenue arises mainly from interest and fees earned on mortgages receivable.

The accounting treatment for mortgage origination and renewal fees varies depending on the transaction. Significant fees that would result in an adjustment to the overall mortgage yield are capitalized and amortized using the effective interest method. Otherwise, fees are recognized in net income when earned. Mortgage prepayment fees and interest penalties are recognized in net income when received.

Standards, amendments and Interpretations not yet effective

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The effect of a change in an accounting estimate is recognized prospectively by including it in net income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is discussed below.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities.

In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Allowance for impaired mortgages

See Notes 5 and 6 for information regarding the allowance for impaired mortgages.

5. Mortgages receivable

	2022	**#**	2021	#
Residential mortgages				
Residential 1st mortgages	**$ 167,777,898**	**355**	$ 130,001,299	300
Residential 2nd mortgages	**14,114,206**	**92**	6,517,213	60
Commercial mortgages				
Commercial 1st mortgages	**-**	**-**	275,537	1
	181,892,104	**447**	136,794,049	361
Allowance for impaired mortgages (Note 6)	**(789,149)**		(673,142)	
	$ 181,102,955		$ 136,120,907	

Terms and conditions

Mortgages have a fixed rate of interest with varying maturity dates from one to two years.

The interest rates offered on fixed rate loans advanced at December 31, 2022 range from 4.35% to 13.10% (2021 – 4.75% to 12.50%).

Residential mortgages are mortgages secured by residential property and are generally repayable monthly with either blended payments of principal and interest or interest only.

(continued)

5. Mortgages receivable *(continued)*

Average yields to maturity

Mortgages bear interest at fixed rates with the following average yields at:

	2022		2021	
	Principal	**Yield**	Principal	Yield
Fixed rate due less than one year	**$ 181,272,155**	**7.99%**	$ 133,256,999	6.91%
Fixed rate due between one and two years	**619,949**	**7.61%**	3,537,050	8.10%
	$ 181,892,104		$ 136,794,049	

Credit quality of loans

It is not practical to value all collateral as at the balance sheet date due to the variety of assets and conditions. All mortgages within the mortgages receivable portfolio are secured by real property.

Fair value

The fair value of mortgages receivable at December 31, 2022 was $181,102,955 (2021 – $136,120,907).

The estimated fair value of the fixed rate mortgages is assumed to be equal to book value as the majority of the mortgages receivable mature within one year.

Guarantee

On June 27, 2022 the Forbearance agreement with Paradigm Mortgage Investment Corp ended. Previously, the Company had been issued a corporate guarantee from Paradigm Mortgage Investment Corporation (“Paradigm”) on mortgages purchased as part of a reorganization in June 2017, to the extent of realized mortgages receivable losses up to $1,500,000 for a period of five years from the purchase date on June 27, 2017. There were no remaining guaranteed mortgages as of June 27, 2022.

As part of this agreement the Company was also responsible for refunding Paradigm in cash, the difference between the final mortgage principal payout amount received by the Company, and the net book value, as of the purchase date, of the mortgages purchased in the case that the mortgages are paid out in excess of their original purchase price. As the agreement is now over the Company is no longer responsible for this.

6. Allowance for impaired mortgages

The Company classifies a mortgage as impaired when one or more loss events have occurred, such as bankruptcy, default or delinquency. Mortgages are in default when the borrower is at least one day past due on payments towards the mortgage. However, generally, mortgages are classified as delinquent when payment is contractually 60 days past due or another event of default has been noted, such as a missed deadline for providing documentation or a deterioration in communication with the borrower. Generally, mortgages are classified as impaired when they have already been identified as delinquent, and there are impending losses expected upon final resolution of the mortgage.

For the purpose of measuring the amount to be written off, the determination of the recoverable amount includes an estimate of future recoveries.

A mortgage will be reclassified to performing status when the Company determines that there is reasonable assurance of full and timely repayment of interest and principal in accordance with the terms and conditions of the mortgage, and that none of the criteria for classification of the mortgage as impaired continue to apply.

Once a mortgage is identified as impaired, the Company continues to recognize interest income based on the original effective interest rate on the mortgage amount net of its related allowance. In the periods following the recognition of impairment, adjustments to the allowance for these mortgages reflecting the time value of money are recognized and presented as interest income.

Total allowance for impaired mortgages as at December 31, 2022:

				2022
	Stage 1	Stage 2	Stage 3	**Total**
Mortgages				
Allowance for credit losses	$ 533,533	$ 219,616	$ 36,000	**$ 789,149**
Carrying amount	$170,139,274	$ 10,937,783	$ 815,047	**$ 181,892,104**

The following table shows the continuity in the allowance for impaired mortgages for the year:

	January 1, 2022 Beginning balance	Write-offs	Provisions (recoveries)	December 31, 2022 Ending balance
Mortgages				
Stage 1	$ 559,878	$ -	$ (26,345)	**$ 533,533**
Stage 2	77,264	-	142,352	**219,616**
Stage 3	36,000	-	-	**36,000**
Total provision	$ 673,142	$ -	$ 116,007	**$ 789,149**
Percentage of total mortgages and accrued interest	0.49%			**0.43%**

In addition to the adjustments to the above noted provisions, during the year $322 was directly written off to the provision for credit losses (2021 – $71,140).

(continued)

6. Allowance for impaired mortgages *(continued)*

Key inputs and assumptions

The measurement of expected credit losses is a complex calculation that involves a large number of interrelated inputs and assumptions. The key drivers of changes in the expected credit losses include the following:

Probability of default ("PD")

Probability of default is a forward-looking estimate of the realized default rate over either a 12-month or lifetime time horizon. It determines the probability a financial asset will default over the period considered.

The PD of the portfolio is based on the Company's historical default data, in addition to forward-looking data indicating relative economic strengths and weaknesses in particular geographic areas in which the Company lends.

Exposure at default ("EAD")

EAD is a forward-looking estimate of the realized EAD. It determines the proportion of a mortgage that will be in default if the account defaults over its expected remaining lifetime. These inputs include:

- The current outstanding balance of the mortgage at the reporting date;
- The payment amounts, assumed to be constant; and
- The interest rate paid per payment period.

The EAD for an amortizing mortgage decreases as payments are received. For mortgages that are only required to pay principal and interest by the end of the project or at other non-constant intervals, the EAD is assumed to be the outstanding balance at the reporting date.

For all mortgages, the assumptions are to be provided by the Company.

Loss given default ("LGD")

LGD is the proportion of the defaulted balance that is considered an accounting loss following a recovery period. Accounts that are not in default as at an observation point, but subsequently default within a given time horizon, are used to develop LGD estimates for non-defaulted exposures.

12-month LGD only considers losses related to default events that occur in the 12-month time horizon following the observation date. For lifetime, LGD is estimated over the subsequent 12-month time horizons.

Estimating the LGD requires:

- Estimating the exposure at default, which is done as noted above; and
- Estimating the net proceeds from the liquidation of the property.

6. Allowance for impaired mortgages *(continued)*

Key inputs and assumptions *(continued)*

Loss given default ("LGD") (continued)

For residential and commercial mortgages, estimating the net proceeds from the liquidation of the property considers the following:

- The value of the property at its last valuation date;
- The type and use of property – single family, multi-family, condo, or other;
- The average regional property value; and
- The expected costs to liquidate the property, including commissions, legal, and others.

The recovered amount of uncollateralized exposure is calculated using the Company's historical mortgage loss percentages for each category of mortgages within the portfolio

Staging

Changes in staging occur when there has been an increase in credit risk of a mortgage since its origination. This may include various types of loss events, such as bankruptcy, default or delinquency. This may also include other external indicators of potential loss on mortgages within a certain geographic area, commercial mortgages within a certain industry, or other non-mortgage specific indicators.

- In addition, the portfolio is assessed to determine if there are further concerns about specific mortgages which are currently not delinquent but are deemed impaired due to individual circumstances with the borrower or underlying security.
- The Company's expected credit loss model takes into account the probability of default and assumed loss given default on residential and commercial mortgages based on the historical portfolio to determine the present value of 12 month expected credit losses.

Lifetime

The lifetime of a residential or commercial mortgage is based on the contractual term of the mortgage.

Forward-looking information

The Company's expected credit loss model takes into consideration forward-looking information as follows:

- Residential mortgage LGD – Collateral value adjustments based on local and regional economic factors.
- Residential and commercial mortgage PD and LGD – Relationships with macroeconomic drivers such as interest rates, banking and other financial institution regulations, and economic indicators.

7. Bank indebtedness

The Company has a syndicated demand credit facility with The Toronto-Dominion Bank and the Royal Bank of Canada for an authorized amount totalling $80,000,000 (2021 – $42,500,000). The facility matures on August 2, 2023, with an option for renewal. Under the facility agreement, the Company could either borrow demand loans at bank prime rate plus 0.75%, use banker's acceptances at the banker's acceptance rate plus a stamping fee of 2.00% per annum or draw down on a swing line facility at bank prime rate plus 0.75% plus a standby fee of 0.35% on unused funds. As at December 31, 2022, the outstanding swing line facility balance is $6,168,232 (2021 – $8,949,114), excluding outstanding cheques and deposits in transit, at an effective interest rate of prime plus 0.75%, 7.20% (2021 – 3.45%) with outstanding banker's acceptances of $51,000,000 (2021 – $24,000,000) at a stamping fee at 2.00% per annum, and an outstanding demand loan of $3,000,000 (2021 - $nil) at an effective interest rate of prime plus 0.75%, 7.20% (2021 – nil%).

As security for the bank indebtedness, the Company has provided the following:

- a general security agreement
- an assignment of certain mortgages

Under the Company's bank credit facilities, the Company is required to comply with certain financial covenants including a borrowing base condition, a quarterly debt to tangible net worth requirement and a quarterly interest coverage requirement. At December 31, 2022, the Company is in compliance with these covenants.

8. Promissory note payable

Demand promissory notes payable to various shareholders are unsecured, payable on demand and bear interest at 3% or TD bank prime rate which at year-end was 6.45% (2021 - 2.45%)

9. Share capital

Authorized

Unlimited	Class A voting common shares with a par value of $1
Unlimited	Class B-F voting common shares with no par value

Issued		**2022**	2021
118,370,586	Class A shares (2021 – 101,886,694)	**$ 117,248,060**	$ 100,808,942

Cumulative share issuance costs of $1,122,526 (2021 – $1,077,752) have been deducted from Class A shares.

All shares are equally eligible to receive dividends and the repayment of capital and each represents one vote at the shareholders meeting.

During the year, 15,473,737 (2021 – 16,914,397) Class A common voting shares were issued for consideration of $15,473,737 (2021 – $16,914,397); 5,028,216 (2021 – 4,706,926) Class A common voting shares were issued in settlement of dividends payable in the amount of $5,028,216 (2021 – $4,706,926); 4,018,062 (2021 – 3,557,363) Class A common voting shares were redeemed by the Company for cash consideration of $4,018,062 (2021 – $3,557,363).

10. Amount available for dividend distribution

The Company follows the practice of declaring dividends at the end of the fiscal year in an amount at least sufficient to remain non-taxable under the provisions of the Canadian Income Tax Act related to Mortgage Investment Corporations. The following table reconciles the amount of dividends declared under the Income Tax Act provisions:

	2022	2021
Net and comprehensive income	**$ 6,708,840**	$ 5,826,514
Less: share issuance costs deductible for tax purposes	**(210,984)**	(214,979)
Dividends declared	**$ 6,497,856**	$ 5,611,535

11. Related party transactions

The Company's related parties, which are defined by IAS 24 *Related Party Disclosures*, include:

- Paradigm Mortgage Investment Corp. ("Paradigm"), a company under common control;
- Three Point Capital Management Corp., a company under common management control;
- Three Point Capital Wealth Management Inc., a company under common management control; and
- Key management and their immediate family, as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and management.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received, except as disclosed in Note 5. Outstanding balances noted below are unsecured and usually settled in cash.

The Company entered into the following transactions with the above noted related parties:

The Company has entered into a management agreement to receive mortgage origination, marketing, and administrative services from Three Point Capital Management Corp. The management fee related to these services is based on the balance of the net mortgages receivable. Management fees incurred during the year were $3,218,179 (2021 – $2,316,858) with management and other fees payable of $311,353 (2021 – $241,288) included in payables and accruals. Directly attributable share issuance costs, including share administration and commissions, incurred and deducted from share capital during the year were $28,560 (2021 – $24,226).

The Company has entered into a management agreement to receive investment and capital management services from Three Point Capital Wealth Management Inc. The dealer services fees related to these services is based on outstanding share capital. Dealer services fees incurred during the year were $335,324 (2021 – $282,739).

At December 31, 2022, nil (2021 – $74,878) guarantee payments were receivable from Paradigm. See Note 5 for further information on mortgage guarantees.

As at December 31, 2022, key management personnel, directors, and their immediate family held 21,954,833 (2021 – 19,170,297) Class A shares of the Company

12. Commitment

In the normal course of business and as at December 31, 2022, the Company has committed and approved mortgages of $4,980,000 (2021 – $9,101,750). These mortgages were advanced subsequent to year-end.

13. Financial instrument risk management

General objectives, policies, and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives quarterly reports from the Company's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counter party to honour its financial or contractual obligation to the Company. Credit risk primarily arises from mortgages receivable. Management and the Board of Directors reviews and updates the credit risk policy annually. The maximum exposure of the Company to credit risk before taking into account any collateral held is the carrying amount of the loans as disclosed on the statement of financial position.

Concentration of credit risk exists if a number of borrowers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Company’s performance to developments affecting a particular segment of borrowers or geographic region. Geographic risk is mitigated in that the company lends to all provinces in Western Canada, as well as in Ontario.

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Company takes into consideration the borrower's character, ability to pay, and value of collateral available to secure the loan.

The Company's credit risk management principles are guided by its overall risk management principles. The Board of Directors ensures that management has a framework, and policies, processes and procedures in place to manage credit risks and that the overall credit risk policies are complied with at the business and transaction level.

The Company's credit risk policies set out the minimum requirements for management of credit risk in a variety of transactional and portfolio management contexts. Its credit risk policies comprise the following:

- General mortgage policy statements including approval of lending policies, eligibility for loans, exceptions to policy, policy violations, liquidity, and loan administration;
- Mortgage lending limits including Board of Director limits, schedule of assigned limits and exemptions from aggregate indebtedness;
- Mortgage collateral security classifications which set loan classifications, advance ratios and amortization periods;
- Procedures outlining loan overdrafts, release or substitution of collateral, temporary suspension of payments and loan renegotiations;
- Mortgage delinquency controls regarding procedures followed for loans in arrears; and
- Internal audit procedures and processes for the Company's lending activities.

(continued)

13. Financial instrument risk management (*continued*)

Credit risk (continued)

With respect to credit risk, the Board of Directors receives monthly reports summarizing new mortgages, delinquent loans and overdraft utilization. The Board of Directors also receives an analysis of bad debts and allowance for impaired mortgages receivable quarterly.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's management oversees the Company's liquidity risk to ensure the Company has access to enough readily available funds to cover its financial obligations as they come due. The Company's business requires such capital for operating and regulatory purposes.

The assessment of the Company's liquidity position reflects management's estimates, assumptions and judgments pertaining to current and prospective Company specific and market conditions and the related behaviour of its shareholders and counterparties.

The Company manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities;
- Monitoring the maturity profiles of financial assets and liabilities; and
- Monitoring the liquidity ratios monthly.

The Board of Directors receives monthly liquidity reports as well as information regarding cash and bank indebtedness balances in order for it to monitor the Company's liquidity framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into two categories: fair value risk and interest rate risk. The Company is not significantly exposed to currency risk or other price risk.

- **Fair value risk**

  Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk primarily on its mortgages receivable held. The Company does not hedge its fair value risk.

- **Interest rate risk**

  Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company incurs interest rate risk on its mortgages receivable, bank indebtedness, loan payable promissory notes payable and other interest bearing financial instruments. The Company manages its interest rate risk by ensuring that mortgages receivable are mostly offered on terms not exceeding one year. This enables the Company to match changes in market interest rates through changes to the interest rates it offers to borrowers upon renewal.

14. Capital management

The Company defines capital as bank indebtedness, promissory notes payable and share capital. The capital management objectives of the Company are to retain adequate capital resources to support its working capital needs, business and growth strategy and build long term shareholder value.

The Company's credit facilities are reviewed annually to ensure sufficient funds are available to meet operational needs as well as capital requirements (see Note 7).

15. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

THREE POINT CAPITAL CORP.
Board of Directors Nomination Report

March 2023

On behalf of the Shareholders of Three Point Capital Corp. (TPCC), I would like to thank our existing directors for serving as Board members over the past year. We appreciate the commitment of each one and their continued contributions to board service. Each year at the AGM, all existing Board members complete their terms, and a new Board is elected.

Shareholders have expressed the importance of strength, stability, and diversity on the Board. We believe re-electing the current Board for another one-year term will provide continuity and serving both the fund and investors well.

We are, therefore, proposing that the number of Directors of the Board of Three Point Capital Corp. stay at nine (9) and that all existing directors be nominated to serve as Directors of Three Point Capital Corp. for the 2023 fiscal year.

Following are brief bios on each of the existing directors:

Ruth Benedict

Ruth began her career in Calgary working for a collection agency, then moved to the Finance Department of a midsize oil company. She moved to Kelowna in 2002 and focused on managing her own portfolio of residential real estate. She also worked with Home Loans Canada (a division of CIBC) to manage their BC team of mortgage specialists which she did until March 2008. Ruth has been an investor in Three Point since 2018 and a Director since 2021.

Francis Braam

Francis Braam is a co-owner of Royal LePage Kelowna. He has been a Director of the Okanagan Mainline Real Estate Board and past Chair of the Real Estate Brokers Council of BC. Francis has been an investor and Director of TPC since its inception.

Don Crompton

Don Crompton is the Chairman of the Board of TPC. He has been an investor and director of TPC since its inception. He is a partner in the TPC Management Company, and his working career has included 25 years in real estate and 10 years as the Canadian Director of Young Life of Canada.

Alan MacKenzie

Alan MacKenzie is retired after 28 years as a Financial Planner with Sun Life Financial in Kelowna. He is actively involved in the local and global community with several charitable organizations. He has been a TPC investor and Director since its inception.

Rick Pushor

Rick Pushor was a founding partner of Kelowna law firm Pushor Mitchell LLP. He is retired from law practice but continues to be involved in the Kelowna community. He has been an investor and Director of TPC since its inception.

Allison Stroebele

Allison Stroebele is a Regional Director with a division of Xylem Inc., leading a team of 75 people, providing specialized asset management services to Water and Wastewater Utilities. Allison is the daughter of one of our Founders (Rae Meier) and relocated back to her hometown of Kelowna in 2020, after 12 years of living and working in the United States. She has been an investor for many years and a Director since 2022.

Grant Turik

Grant Turik is a licensed realtor with Royal LePage Kelowna and has served the Okanagan community for almost 30 years. He has been a TPC investor and Director since its inception.

Joe Ungaro

Joe Ungaro has been licensed as a realtor in Kelowna since 1980 and is presently with Royal LePage Kelowna. He has been a TPC investor and Director since its inception

Further to the Notice of Annual General Meeting dated February 24, 2023, the following motions will be put forward at the AGM:

#1:

That the number of Directors of Three Point Capital Corp. for the period March 16, 2023, to the date of the 2024 Annual General Meeting be set at nine (9);

#2:

That Ruth Benedict, Francis Braam, Don Crompton, Duncan Kippan, Alan MacKenzie, Rick Pushor, Allison Stroebele, Grant Turik and Joe Ungaro each be elected for a one-year term (for the period March 16, 2023 to the date of the 2024 Annual General Meeting) as Directors of Three Point Capital Corp.

Respectfully submitted,

Don Crompton, TPC Director

Criteria for Three Point Capital Board Membership

- A person of strong character and reputation
- A person with life experience and abilities that permit them to make a contribution at the Board level
- Willing and able to devote meaningful time to Board service including attending Board meetings
- Reasonable accessibility to the management of Three Point Capital as required from time to time
- Availability to sign required TPC documentation
- A shareholder in Three Point Capital Corp.

MINUTES OF THE March 10, 2022 ANNUAL GENERAL MEETING
OF THE SHAREHOLDERS OF
THREE POINT CAPITAL CORP.
(the "Company")

CALL TO ORDER

The 5th Annual General Meeting & 3rd Virtual meeting of the shareholders of Three Point Capital Corp. was called to order at 4:00 pm, Thursday, March 10th via Zoom online platform from Kelowna, B.C. People were in attendance virtually including shareholders, guests, and associates, with Don Crompton chairing the meeting. The Chairman confirmed that the necessary notice of meeting had been duly sent to all shareholders on February 24, 2022, and 38% of outstanding shares were represented either in person or by proxy. Notice of the Meeting having been duly given and a quorum of shareholders of the Company being present, the Chairman declared the Meeting to have been properly called and duly constituted for the transaction of business.

INTRODUCTIONS

PRESENTED BY: DON CROMPTON, Chair

Don thanked everyone for attending The Annual General Meeting and acknowledged the Company's Directors and Three Point Team.

Agenda approved as circulated.

Minutes for 2021 AGM were approved as circulated.

PRESIDENT'S REPORT

PRESENTED BY: RYAN LEE, President, Three Point Capital Corp.

The Year in Review

Quarter 1

- Year 2 of Covid -19
- Fundings $24.7 Million and $19.8 Million in payouts

Quarter 2

- Fundings $33.3 Million and $27.6 Million in payouts

Quarter 3

- Fundings $32.1 Million and $25.1 Million in payouts

Quarter 4

- Fundings $41.2 Million and $22 Million in payouts

2021 Performance

- $17 Million in new shareholder capital.
- Total mortgage fundings: $131.6 Million ($77.6 Million in 2020).
- Total mortgage payouts: $94.6 Million ($51.8 Million in 2020).
- Increased BC concentration: BC 66% and Ontario 29%.
- 95% of the portfolio secured in the 1st position (94% in 2020).
- Weighted average loan-to-value: 55.2%. (55.8% in 2020).
- Historically low interest rates comprise a larger percentage of portfolio.
- Profit from operations: $5.2 Million.
- Annualized dividend: 6.04%.

What to Expect in 2022

- Historically low interest rates to begin to rise.
- Increased regulation on both the lending and capital sides of business.
- Continued diligent monitoring of LTV ratios during heated real estate market and global concerns.
- Disciplined portfolio growth to ensure liquidity and brand awareness.

PORTFOLIO REPORT
PRESENTED BY: LEANNE WILSON, Chief Operating Officer, on behalf of
BRAD GRAHAM, Chief Credit Officer, Three Point Capital Corp.

Mortgages funded:

- 294 new mortgages for a total of $131.5 Million.
- Average mortgage size: $447,465.
- BC activity remains strong: 188 new mortgages for a total of $88.8 Million.
- Ontario: 90 new mortgages for a total of $39.2 Million.
- Remaining 3% in Alberta and Manitoba.

Year-end summary

- Closed the year with 361 Mortgages, a net growth of 38 and a net increase to the portfolio of $36.06 Million.

Default Update

- Continued low levels of arrears in 2021 and 2022 year to date.
- Losses on 3 files in 2021 totaling $71,000 (2020 - $84,000).
- 1 file currently in foreclosure (Kelowna). No losses beyond legal fees expected.

The portfolio performed well during the second year of the pandemic. We will continue to stay educated on the trends in our markets, and disciplined growth is expected to continue through 2022.

2021 AUDITED FINANCIAL STATEMENTS

PRESENTED BY: MARYLYN NEEDHAM, CFO & Vice President, Three Point Capital Corp.

Marylyn provided a review of:

- Statement of Financial Position
- Statement of Net Income
- Statement of Shareholders' Equity

Details can be found in the financial statements provided.

APPOINTMENT OF AUDITORS FOR 2022

PRESENTED BY: MARYLYN NEEDHAM, CFO & Vice President, Three Point Capital Corp.

Motion #1:

To appoint Grant Thornton, Chartered Professional Accountants, as auditors for the 2022 fiscal year.

UPON MOTION duly made (Marylyn Needham), seconded (Peter Van Genne) and unanimously carried, IT WAS RESOLVED THAT Grant Thornton LLP, Chartered Professional Accountants, of Vancouver, British Columbia, be appointed the Company's auditors for the 2022 fiscal year.

NOMINATION REPORT

The Nomination committee recommended that the board be increased to Nine (9). The committee also nominated Allison Stroebele to sit on the Board of Directors.

SETTING OF NUMBER OF DIRECTORS FOR 2022

PRESENTED BY: DON CROMPTON, Chair

The Company's Articles require that at each Annual General Meeting the Shareholders set the number of Directors for the next year.

Motion #2:

Resolve that the number of Directors for the ensuing year be set at nine (9).

UPON MOTION duly made (Don Crompton), seconded (Greg Gibault) and unanimously carried, IT WAS RESOLVED THAT the number of directors for the period March 10, 2022 to the date of the 2023 Annual General Meeting be set at nine (9).

ELECTION OF DIRECTORS

PRESENTED BY: RYAN LEE, President, ThreePoint Capital Corp.

The nominating committee recommended that the existing eight (8) incumbent Directors each be elected for a one-year term and that additional nominee Allison Stroebele be elected for a one-year term.

Motion #3:
That Ruth Benedict, Francis Braam, Don Crompton, Duncan Kippan, Alan MacKenzie, Rick Pushor, Allison Stroebele, Grant Turik and Joe Ungaro each be elected for a one-year term for the period March 10, 2022 to the date of the 2023 Annual General Meeting, as Directors of Three Point Capital Corp.

UPON MOTION duly made (Ryan Lee), seconded (Ted Schoepp), and unanimously carried, IT WAS RESOLVED THAT Ruth Benedict, Francis Braam, Don Crompton, Duncan Kippan, Alan MacKenzie, Rick Pushor, Allison Stroebele, Grant Turik and Joe Ungaro each be elected, for a one-year term for the period March 10, 2022 to the date of the 2023 Annual General Meeting, as Directors of Three Point Capital Corp.

Questions / Comments:
Questions could be asked via the online Zoom "chat" feature or "raise your hand" feature during the Q & A Period:

There were no questions.
Ryan confirmed the Three Point team is always available for questions and to feel free to reach out at any time.

CLOSING REMARKS & ADJOURNMENT
DON CROMPTON, Chair.
Don thanked everyone for joining the meeting and declared the meeting adjourned at 4:50 pm.

_____

DON CROMPTON

INSTRUMENT OF PROXY

Three Point Capital Corp.

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints (name) _____or, failing that person, _____ (name), as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held virtually on the 16th day of March 2023 and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____.

Signed this _____ day of _____ , 2023.

_____

Signature(s) of shareholder(s)

_____

Name(s) of shareholder(s) printed

Please return to Three Point Capital by way of:

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Kelowna, BC V1Y 8K5