

This document summarizing certain terms and attributes of the DKAM Capital Ideas Trust (the “Fund”) is confidential and for informational purposes only, and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The contents of this document are not to be communicated, reproduced or distributed to the public, is not guaranteed as to its accuracy or completeness and confers no rights to any investor or potential investors. The information in this document is qualified in its entirety by reference to the amended and restated declaration of trust dated as of March 27, 2015 governing the Fund (the “Declaration of Trust”), a copy of which is being provided to qualified investors prior to investment in the Fund. In the event of any inconsistency between this term sheet and the Declaration of Trust, the terms of the Declaration of Trust shall prevail. Capitalized terms used but not defined herein shall have the same meaning attributed to them as in the Declaration of Trust.

As of April 1, 2015, the Fund is closed to accepting new subscriptions. Despite the foregoing, Donville Kent Asset Management Inc., the manager and trustee of the fund (“DKAM”) may in the future, at any time and from time to time, decide to accept new subscriptions for one or more classes of the Fund, at its sole discretion, subject always to DKAM’s right to refuse subscriptions in whole or in part.

DKAM CAPITAL IDEAS TRUST

CONFIDENTIAL TERM SHEET

March 27, 2015

The Fund	DKAM Capital Ideas Trust (the “Fund”) is an unincorporated open-ended investment trust governed by a declaration of trust amended and restated as of March 27, 2015, as may be amended from time to time (the “Declaration of Trust”). Donville Kent Asset Management Inc. (“DKAM”), a corporation incorporated under the laws of Canada, is the investment fund manager, portfolio manager and the trustee of the Fund.
Investment Objectives and Strategies	<p>The investment objective of the Fund is to invest all or substantially all of its assets in the DKAM Capital Ideas Fund LP (the “Partnership”), an investment fund organized as an Ontario limited partnership and managed by DKAM. The investment objective of the Partnership is to maximize returns on investments. The Partnership intends to accomplish its set objective through superior securities selection and the use of leverage.</p> <p>To achieve its investment objective, the Partnership invests primarily in equities from any sector and capitalization scale. These investments will reflect the best ideas generated by the management team given the issuer’s fundamentals and the prevailing economic and investment conditions.</p> <p>The Partnership intends to invest primarily in publicly listed securities in a concentrated group of companies.</p> <p>The Partnership intends to utilize leverage but may do so only to a maximum of 200% of the Partnership’s net asset value. The Partnership may borrow or purchase securities on margin. The Partnership may take short sale positions up to a limit of 30% of the net asset value of the Partnership.</p> <p>A copy of the offering memorandum and the annual audited financial</p>

	statements and unaudited interim financial statements of the Partnership are available from DKAM upon request.
Securities Offered	<p>The Trustee may at its discretion divide the Fund into one or more classes and series of units. Currently, three classes of units of the Fund have been created. Class A units (“Class A Units”), Class B units (“Class B Units”) and Class F units (“Class F Units”) and together with the Class A Units and the Class B Units, the “Units”).</p> <p>Class A Units are designed for all investors other than those who are entitled to purchase Class B and Class F Units. Class B Units are available to investors who invest a minimum of \$10 million or such other amount as the General Partner may determine in its discretion. Class F Units are designed only for investors who are investing through a fee-based account established with a registered dealer and other investors in respect of whom no trailing commission is paid.</p> <p>The Units are offered at the series net asset value per Class A Unit, Class B Unit and per Class F Unit respectively. Units can be purchased as of the last business day in each month or on such other date as the Trustee may permit (each, a “Valuation Day”), subject to applicable law, provided a duly completed subscription agreement and subscription proceeds are received by DKAM by the close of business on the business day prior to the relevant Valuation Day. A new series of Units will be issued on each successive Valuation Day on which Units are issued.</p>
Minimum Subscription	The minimum initial investment is (i) \$50,000 for Canadian accredited investors (as such term is defined under National Instrument 45-106 <i>Prospectus and Registration Exemptions</i> (“ NI 45-106 ”)); (ii) \$150,000 for those investors relying upon the minimum amount exemption under NI 45-106; or (iii) \$50,000 for U.S. accredited investors (as such term is defined under applicable U.S. securities laws), or such lesser amount as may be accepted by DKAM and permitted under applicable Canadian or U.S. securities laws. Despite the foregoing, the minimum initial investment for Class B units is \$10 million or such lesser amount as may be accepted by DKAM and permitted under applicable Canadian or U.S. securities laws.
Purchasers	The Units are being distributed in Canada pursuant to available exemptions from the prospectus requirements in all provinces and territories of Canada except for Newfoundland and Labrador. In addition, the Units are being offered to investors in the United States pursuant to available exemptions from registration to persons who are both a “ <i>qualified purchaser</i> ” (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “ Investment Company Act ”)) and an “ <i>accredited investor</i> ” (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (“ Securities Act ”)). Non-resident investors other than persons located in the United States may be accepted on a case-by-case basis in accordance with the Declaration of Trust and legal and tax advice. All investors outside Canada and the United States must be eligible to purchase the Units pursuant to an exemption from prospectus and registration requirements available to such persons under applicable securities legislation of such

	persons' jurisdictions of residence, and must meet all other suitability requirements required under the Declaration of Trust.
Trustee:	DKAM, with its head office at 123 Front Street West, Suite 902, Toronto, Ontario M5J 2M2 holds legal title to the assets of the Fund and acts as trustee of the Fund.
Manager:	DKAM also manages the day-to-day operations of the Fund, including providing portfolio management services.
Custodian	BMO Prime Brokerage or its sub-custodian is responsible for the safekeeping of the Fund's assets.
Calculation of Net Asset Value	The net asset value of the Fund will be calculated as at the close of business (Toronto, Ontario local time) on each Valuation Day. The net asset value of the Fund will be determined by deducting the aggregate amount of the Fund's liabilities from the aggregate value of its assets. The net asset value of each Class A Unit, Class B Unit or Class F Unit, as applicable, will be equal to the net asset value of the Fund attributable to such series of Units divided by the number of Class A Units, Class B Units or Class F Units of that series, as applicable, outstanding at the close of business on the Valuation Day.
Distribution Policy	<p>The Fund intends to distribute in each year all or such lesser portion of the net income and net capital gains realized in such year as will result in the Fund not having any taxable income for the year for purposes of the <i>Income Tax Act</i> (Canada) (the "Tax Act"). Such distributions will be reinvested in additional Units of the applicable class and/or series of Units of the Fund, issued at the net asset value as at the date of such distribution.</p> <p>After the distribution is reinvested in additional units, the Fund will consolidate the Units such that the number of Units outstanding after the consolidation is identical to the number of Units outstanding before the distribution was paid. The net asset value per Unit of the applicable Class will not be affected by the notional distribution.</p>
Redemption of Units	<p>Redemptions of Units will be permitted on a monthly basis, being on the last business day of each month and on such other date(s) as DKAM may permit (each, a "Redemption Date") pursuant to written notice that must be received by the Fund at least 30 days prior to the applicable Redemption Date. The redemption price shall equal the net asset value per Unit of the applicable series of Units being redeemed, determined as of the close of business on the relevant Redemption Date.</p> <p>Redemptions may be deferred in certain circumstances not prohibited by applicable securities laws. DKAM will suspend redemptions (either in whole or in part) at such times it deems appropriate, including at any time where DKAM is of the opinion, in its sole discretion, that there are insufficient liquid assets in the Fund to fund such redemptions or that the liquidation of assets would be to the detriment of the Fund generally.</p> <p>A redemption of Units will result in the Fund redeeming the applicable number</p>

	<p>and corresponding class of units of the Partnership. In connection with a redemption of units of the Partnership, there will be deducted from redemption proceeds otherwise payable an amount equal to 3% of the net asset value of such units if those units are tendered for redemption within 3 months of purchase as well as an amount equal to an incentive distribution payable to DKAM CI GenPar Inc., the general partner of the Partnership (the “General Partner”) on such date (to the extent not already reflected in the net asset value of the redeemed units of the Partnership).</p> <p>DKAM has the right to require a unitholder to redeem some or all of the Units owned by such unitholders on a Redemption Date at the net asset value per Unit thereof, by notice in writing to the unitholder given at least 30 days before the designated Redemption Date, which right may be exercised by DKAM in its absolute discretion.</p>
Resale and Transferability of Units	<p>No prospectus was or will be filed with respect to the offering of Units. The Units will be issued under certain prospectus exemptions and, if applicable, registration exemptions provided in applicable securities laws of the provinces and territories of Canada and under applicable federal and state securities laws in the United States and as a result may not be resold, assigned or otherwise transferred other than in accordance with the provisions of the said laws. Units are generally not transferable. Furthermore, no transfers of Units may be effected unless the DKAM, in its sole discretion, approves the transfer and the proposed transferee. Purchasers are advised to consult with their advisers concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation and the Declaration of Trust.</p> <p>The Fund is not currently a reporting issuer in any jurisdiction and it has no obligation or present intention of filing a registration statement in respect of any of the Units. The Units are not listed for trading on any stock exchange, over-the-counter market, or alternative quotation or trading system.</p> <p>The Units purchased by investors in the United States will be “restricted securities”, as defined in Rule 144 under the Securities Act, and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, unless: (i) there is in effect a registration statement under the Securities Act covering the proposed transfer and such transfer is made in accordance with such registration statement; (ii) the transfer is made outside the United States in accordance with the requirements of Rule 904 of Regulation S under the Securities Act (“Regulation S”) and in compliance with applicable local laws and regulations; (iii) the transfer is made in compliance with the exemption from registration under the Securities Act provided by (A) Rule 144 thereunder, if available, or (B) Rule 144A thereunder, if available, and, in both cases, in accordance with applicable state securities laws; or (iv) the transfer does not require registration under the Securities Act or any applicable state securities laws. In the case of transfers pursuant to (iii)(A) and (iv) above, in the Trustee’s discretion, the seller must, prior to any such transfer, furnish to the Fund an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Fund to such effect.</p>

Voting Rights	<p>Each Unit carries with it a right to vote, with one vote for each \$1.00 of net asset value attributed to such Unit.</p> <p>DKAM will not vote any securities of the Partnership held by the Fund. However, DKAM may pass on the right to vote securities of the Partnership held by the Fund to unitholders of the Fund.</p>
Management Fees and Fund Expenses	<p>As investment manager of the Partnership, DKAM receives monthly management fees, in arrears, on the last Valuation Date in each month, equal to 1/12 of 2% for Class A units of the Partnership, 1/12 of 1.75% for Class B units of the Partnership and equal to 1/12 of 1% for Class F units of the Partnership. The management fees are based on the respective net asset value of the applicable class of the Partnership as at the first business day of such month.</p> <p>Management fees payable by the Partnership are subject to GST/HST and will be deducted as an expense of the Partnership in the calculation of the net asset value of the applicable class of the Partnership.</p> <p>Since the assets of the Fund will be invested in the Partnership, DKAM will receive fees in its capacity as investment manager of the Partnership; however, no additional performance fees or management fees will be payable directly by the Fund to DKAM.</p> <p>The Fund will pay all ordinary expenses incurred in connection with the operation and administration of the Fund.</p>
General Partner Profit Allocation	<p>Subject to the attainment of the High Water Mark (as defined below), the General Partner will share in the net profits of the Partnership by receiving incentive distributions on the last Valuation Date in each year and upon the redemption of each Class A unit, Class B unit or Class F unit of the Partnership based on the increase, if any, in the net asset value of such Class A unit, Class B unit or Class F unit of the Partnership. Such distributions are equal to 20% of the positive amount, if any, obtained when the High Water Mark (as defined below) for such unit of the Partnership is subtracted from the net asset value of such unit on such Valuation Date or Redemption Date (if such amount is negative, the incentive distribution in respect of such unit shall be zero).</p> <p>The “High Water Mark” for a unit of the Partnership as at any date means its subscription price and thereafter shall be adjusted from time to time to equal its net asset value immediately following the payment of an incentive distribution to the General Partner in respect of such unit (as further adjusted following a consolidation or subdivision of units of the Partnership).</p>
Relationships and Potential Conflicts of Interest	<p>As noted above, DKAM is the manager and portfolio manager of both the Fund and the Partnership. The General Partner is an affiliate of DKAM, which is a subsidiary of Donville Kent Financial Corp., a corporation controlled by the officers and directors of DKAM and the General Partner. As noted above, DKAM receives fees from the Partnership and the General Partner shares in the profits of the Partnership.</p>

Eligibility for Registered Plans	Yes, provided that the Fund complies with the prescribed conditions under the Tax Act to be a mutual fund trust on or before the 91 st day after the end of its first taxation year, and elects to be a mutual fund trust from the commencement of such year. Eligibility for registered plans is subject to any limitations under the Tax Act.
Certain U.S. Regulatory Matters	<p>This Offering has not been registered under the Securities Act, in reliance, among other exemptions, on the exemptive provisions of Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. Similar reliance has been placed on available exemptions from securities registration or qualification requirements under applicable state securities laws.</p> <p>The Trust will be exempt from the provisions of the Investment Company Act based on the exemption contained in Section 3(c)(7) of the Investment Company Act, which exempts issuers that are not making and do not presently propose to make a public offering of their securities and whose outstanding securities are beneficially owned exclusively by persons who are a “qualified purchaser”.</p> <p>The Trust and DKAM are currently exempt from the registration provisions of the Investment Advisers Act of 1940.</p> <p>The Trust is also limiting the number of Units that may be acquired in the United States by “<i>benefit plan investors</i>” to less than 25% of the outstanding total equity in the Trust at any time to avoid having the underlying assets of the Trust deemed to be “<i>plan assets</i>” under the U.S. Employee Retirement Income Security Act of 1974 (“ERISA”).</p> <p>The sale of any Unit in the Trust to a “benefit plan investor” is in no respect a representation by the DKAM or Investment Manager that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan or that such an investment is appropriate for plans generally or for any particular plan. Any plan fiduciary that proposes to cause a “benefit plan investor” to invest in the Trust should consult with its counsel regarding the applicability of the fiduciary responsibility, prohibited transaction and other applicable provisions of ERISA or any other applicable law to such an investment and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of the requirements of ERISA or any other applicable law.</p>
Risk Factors	Investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment techniques used by DKAM. See “Risks” as set forth in Schedule A to the Subscription Agreement.
Statutory Rights of Action and Rescission	Securities legislation in certain of the provinces and territories of Canada provides purchasers with, in addition to any other right they may have at law, rights of rescission or damages, or both, where an offering where an offering memorandum and any amendment thereto, and in some cases, advertising and sales literature used in connection therewith, contains a “misrepresentation”. If this term sheet and any amendment thereto, (and in some cases, advertising and

	<p>sales literature used in connection therewith) is construed as an offering memorandum under applicable securities legislation, and contains a misrepresentation, purchasers may therefore have statutory rights of action or rescission granted to them under applicable securities law.</p> <p>Attached to Schedule A to this term sheet is a summary of the rights of rescission or damages, or both, that may be available to investors under the securities legislation of each of the offering jurisdictions.</p> <p>Investors should consult with their legal advisers to determine whether and the extent to which they may have a right of action or rescission in their province or territory of residence. The rights discussed in Schedule A are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units</p>
Auditor	Deloitte LLP (Toronto, Ontario).
Fund Administrator	SGGG Fund Services Inc. (Toronto, Ontario).
Legal Counsel	AUM Law Professional Corporation (Toronto, Ontario).

SCHEDULE A

STATUTORY RIGHTS OF ACTION AND RESCISSION

Rights of Action for Damages or Rescission

Securities legislation in certain of the provinces and territories of Canada provides purchasers with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this term sheet may be construed as an offering memorandum pursuant to securities legislation in provinces and territories of Canada, and any amendment thereto, and in some cases, advertising and sales literature used in connection therewith, contains a “**Misrepresentation**”. Misrepresentation means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. However, such rights, remedies or notice with respect thereto, must be exercised by the subscriber within the prescribed time limits under applicable securities legislation. Further, such rights may depend on the particular private placement exemption being relied upon by the issuer. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

The following summary of the rights of action for damages or rescission are subject to the express provisions of the securities legislation in the applicable offering jurisdictions, and the regulations, rules and policy statements under such legislation, and reference is made to such legislation, regulations, rules and policies for the complete text of such provisions. Purchasers should refer to the applicable provisions of the securities legislation of their jurisdiction of residence for the particulars of these rights or consult with a legal adviser. The rights discussed below are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units.

Manitoba

Sections 141.1, 141.1.2, and 141.4 of *The Securities Act* (Manitoba) provide that if the offering memorandum delivered to a purchaser of Units resident in Manitoba contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, and every person or company that signed the offering memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that among other limitations:

- (a) the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;

- (c) other than with respect to the Fund, no person or company is liable if the person or company proves:
 - (i) that this offering memorandum was sent to the purchaser without the person's or company's knowledge or consent; and
 - (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (d) other than with respect to the Fund, no person or company is liable if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this offering memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
- (e) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
 - (i) there had been a Misrepresentation; or
 - (ii) the relevant part of the offering memorandum:
 - A. did not fairly represent the expert's report, opinion or statement; or
 - B. was not a fair copy of, or an extract from, the expert's report, opinion or statement;
- (f) other than with respect to the Fund, no person or company is liable with respect to any part of this offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;
- (g) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser; and
- (h) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
 - (i) in the case of an action for rescission, 180 days after the date of purchase of the Units; or
 - (iii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) two years after the date of purchase of the Units.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

- (a) this offering memorandum contains, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information;
 - (iv) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this offering memorandum, the Misrepresentation is deemed to be contained in this offering memorandum.

New Brunswick

Sections 150, 154.1, and 161 of the *Securities Act* (New Brunswick) provide that if the offering memorandum or amendment to the offering memorandum delivered to a purchaser of Units resident in New Brunswick contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the Fund or selling securityholder for damages or, alternatively, while still the owner of the purchased Units, for rescission, (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages) provided that:

- (a) no person will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (c) in no case shall the amount recoverable exceed the price at which the Units were offered under the offering memorandum or amendment;
- (d) the Fund shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the Misrepresentation was not based on information provided by the Fund unless the Misrepresentation:
 - (i) was based on information that was previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and

- (iii) was not subsequently publicly corrected or superseded by the Fund before the completion of the distribution of the Units being distributed; and
- (e) no action may be commenced to enforce a right of action:
 - (i) for rescission, more than 180 days after the date of the purchase; or
 - (ii) for damages, more than the earlier of (A) one year after the purchaser first had knowledge of the Misrepresentation, and (B) six years after the date of the purchase.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

- (a) the offering memorandum contains, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information;
 - (ii) and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Newfoundland and Labrador

Sections 130.1, 132, and 138 of the *Securities Act* (Newfoundland and Labrador) provide that if the offering memorandum delivered to a purchaser of Units resident in Newfoundland and Labrador contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the Fund and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that among other limitations:

- (a) where the person or company proves that the purchaser had knowledge of the Misrepresentation;
- (b) in an action for damages, the defendant will not be liable for all or any part of the damages that the Fund provides do not represent the depreciation in value of the Units as a result of the Misrepresentation;
- (c) other than with respect to the Fund, if the person or company proves that the person or company, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
- (d) other than with respect to the Fund, if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract

from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that

- (i) there had been a Misrepresentation, or
- (ii) the relevant part of the offering memorandum
 - A. did not fairly represent the report, opinion or statement of the expert, or
 - B. was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and
- (e) other than with respect to the Fund, with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed there had been a misrepresentation;
- (f) other than with respect to the Fund, where the person or company proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company; and
- (g) the amount recoverable shall not exceed the price at which the securities were offered to the public;
- (h) no action may be commenced to enforce a right of action more than:
 - (i) in the case of an action for rescission, 180 days after the date of the purchase; or
 - (ii) in the case of an action for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

- (a) this offering memorandum contains, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information;
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this offering memorandum, the Misrepresentation is deemed to be contained in this offering memorandum.

Northwest Territories

Sections 112 and 121 of the *Securities Act* (Northwest Territories) provide that if the offering memorandum delivered to a purchaser of Units resident in Northwest Territories contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund, the selling security holder on whose behalf the distribution is made, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the Fund or the selling securityholder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) a person will not be liable if the person proves that the purchaser purchased the Units with the knowledge of the Misrepresentation;
- (b) a person (other than the Fund or selling securityholder on whose behalf the distribution is made) will not be liable if:
 - (i) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of that person or company;
 - (ii) the person, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's consent to the offering memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - A. there had been a Misrepresentation; or
 - B. the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;

- (iv) except the Fund and selling securityholder, for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:
 - A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - B. believed that there had been a Misrepresentation;
- (c) in an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the Misrepresentation;
- (d) the Fund and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
- (e) the amount recoverable by the purchaser in an action for damages must not exceed the price at which the Units purchased by the purchaser were offered; and
- (f) no action may be commenced to enforce a right of action more than:
 - (i) in the case of an action for rescission, 180 days after the date of the purchase; or
 - (ii) in the case of an action for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

In addition, no person will be liable with respect to a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information;
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

Nova Scotia

Sections 138, 139A, and 146 of *Securities Act* (Nova Scotia) provide that if the offering memorandum or any amendment delivered to a purchaser of Units resident in Nova Scotia contains a Misrepresentation, a purchaser resident in Nova Scotia to whom this offering memorandum has been sent or delivered and who purchases the Units is deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and the purchaser has a right of action for damages against the Fund, against every person acting in a capacity with respect to the Fund which is similar to that of a director of a company, and every person or company that signed the offering memorandum or alternatively, may elect to exercise a right of rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

- (a) in an action for rescission or damages, a person will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) no person other than the Fund is liable if the person proves that:
 - (i) this offering memorandum or the amendment to this offering memorandum was sent or delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's knowledge or consent;
 - (ii) after delivery of this offering memorandum or the amendment to this offering memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this offering memorandum, or amendment to this offering memorandum, the person withdrew the person's consent to this offering memorandum, or the amendment to this offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it;
 - (iii) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum or amendment to the offering memorandum
 - A. did not fairly represent the report, opinion or statement of the expert, or
 - B. was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

- (iv) with respect to any part of this offering memorandum or amendment to the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person
 - A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - B. believed that there had been a Misrepresentation;
- (c) in an action for damages, a person is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered; and
- (e) no action may be commenced to enforce a right of action more than 120 days:
 - (i) after the date on which payment was made for the Units; or
 - (ii) after the date on which the initial payment was made for Units where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

In addition, a person is not liable in an action for a Misrepresentation in forward-looking information if:

- (a) this offering memorandum contains, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information;
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this offering memorandum or an amendment to this offering memorandum, the Misrepresentation is deemed to be contained in this offering memorandum or an amendment to this offering memorandum.

Nunavut

Sections 112 and 121 of the *Securities Act* (Nunavut) provide that if the offering memorandum delivered to a purchaser of Units resident in Nunavut contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund, the

selling security holder on whose behalf the distribution is made, against every person acting in a capacity with respect to the Fund which is similar to that of a director of a company, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the Fund or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) a person will not be liable if the person proves that the purchaser purchased the Units with the knowledge of the Misrepresentation;
- (b) a person (other than the Fund or selling security holder on whose behalf the distribution is made) will not be liable if:
 - (i) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of that person;
 - (ii) the person, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's consent to the offering memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - A. there had been a Misrepresentation; or
 - B. the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
 - (iv) except for the Fund and selling security holder, for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:
 - A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - B. believed that there had been a Misrepresentation;
- (c) the Fund, and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;

- (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
- (d) in an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the Misrepresentation;
- (e) the amount recoverable by the purchaser in an action for damages must not exceed the price at which the Units purchased by the purchaser were offered; and
- (f) no action may be commenced to enforce a right of action more than the earlier of:
- (i) in the case of an action for rescission, 180 days after the date of the purchase; or
 - (ii) in the case of an action for damages, (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) three years after the date of the purchase.

In addition, no person will be liable with respect to a Misrepresentation in in forward-looking information (excluding those made in financial statements) if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

Ontario

Sections 130.1 and 132.1 of the *Securities Act* (Ontario) provide that if the offering memorandum or amendment delivered to a purchaser of Units resident in Ontario contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund and a selling securityholder on whose behalf the distribution is made or while still the owner of Units purchased by that purchaser, for rescission (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

- (a) no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation relied upon;
- (c) the Fund shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation,
 - (i) was based on information that was previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund prior to the completion of the distribution of the Units being distributed;
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were offered; and
- (e) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
 - (i) in the case of an action for rescission, 180 days after the date of purchase; or
 - (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) three years after the date of purchase.

A person or company is not liable for a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights referred to above do not apply in respect of the offering memorandum delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Prince Edward Island

Sections 112 and 121 of the *Securities Act* (Prince Edward Island) provide that if the offering memorandum contains a Misrepresentation, a purchaser resident in Prince Edward Island who purchased a security under this offering memorandum will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund, the selling securityholder on whose behalf the distribution is made, against every person acting in a capacity with respect to the Fund which is similar to that of a director of a company, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the Fund or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) no person will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) except the Fund or selling securityholder, no person will be liable if it proves that
 - (i) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the knowledge and consent of the person;
 - (ii) the person, on becoming aware of the Misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that
 - A. there had been a Misrepresentation, or
 - B. the relevant part of the offering memorandum (1) did not fairly represent the report, statement or opinion of the expert, or (2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert;

- (c) except the Fund or selling securityholder, no person or company will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person,
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or,
 - (ii) believed that there had been a Misrepresentation;
- (d) in an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the security resulting from the Misrepresentation;
- (e) the Fund, and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of the offering memorandum who is not a selling securityholder, shall not be liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation
 - (i) was based on information that was previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
- (f) in no case shall the amount recoverable by a plaintiff exceed the price at which the Units purchased by the plaintiff were offered; and
- (g) no action shall be commenced to enforce a right of action more than:
 - (i) for rescission, 180 days after the date of the purchase; or
 - (ii) for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

A person is not liable for a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

Saskatchewan

Sections 138 and 147 of *The Securities Act* (Saskatchewan) provide that where an offering memorandum, together with any amendment to the offering memorandum, sent or delivered to a purchaser resident in Saskatchewan contains a Misrepresentation, a purchaser who purchases a security covered by the offering memorandum or an amendment to the offering memorandum has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against (a) the Fund or a selling security holder on whose behalf the distribution is made; (b) every promoter and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company or the selling security holder, as the case may be, at the time the offering memorandum or the amendment to the offering memorandum was sent or delivered; (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them; (d) every person who or company that, in addition to the persons or companies mentioned in clauses (a) to (c), signed the offering memorandum or the amendment to the offering memorandum; and (e) every person who or company that sells Units on behalf of the Fund or selling security holder under the offering memorandum or amendment to the offering memorandum. In addition, such a purchaser also has a right of rescission against the Fund or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) except the Fund or selling security holder, no person or company is liable if the person or company proves that:
 - (i) the offering memorandum or the amendment to the offering memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its being sent or delivered, the person or company immediately gave reasonable general notice that it was so sent or delivered;
 - (ii) after the filing of the offering memorandum or the amendment to the offering memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or the amendment to the offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable general notice of the person's or company's withdrawal and the reason for it;
 - (iii) with respect to any part of the offering memorandum or of the amendment to the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

- A. there had been a Misrepresentation;
 - B. the part of the offering or of the amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert; or
 - C. the part of the offering memorandum or of the amendment to the offering memorandum was not a fair copy of or extract from the report, opinion or statement of the expert;
- (iv) with respect to any part of the offering memorandum or of the amendment to the offering memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a Misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:
- A. the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the offering memorandum or of the amendment to the offering memorandum fairly represented the person's or company's report, opinion or statement; or
 - B. on becoming aware that the part of the offering memorandum or of the amendment to the offering memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Commission and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the offering memorandum or of the amendment to the offering memorandum; or
- (v) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true;
- (c) except for the Fund and selling security holder, no person or company will be liable for any part of the offering memorandum or the amendment to the offering memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company:
- (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;
- (d) except for the Fund and selling security holder, no person or company will be liable for any part of the offering memorandum or the amendment to the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company:

- (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;
- (e) every person who or company that sells Units on behalf of the Fund or selling security holder under the offering memorandum or amendment to the offering memorandum is not liable if that person or company can establish that he, she or it cannot reasonably be expected to have had knowledge of any misrepresentation in the offering memorandum or the amendment to the offering memorandum;
- (f) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Units resulting from the Misrepresentation relied on;
- (g) in no case shall the amount recoverable exceed the price at which the Units were offered; and
- (h) no action shall be commenced to enforce a right of action more than:
- (i) for rescission, 180 days after the date of purchase; or
 - (ii) for damages, the earlier of: (A) one year after the purchaser first had knowledge of the Misrepresentation, or (B) six years after the date of the purchase.

A person or company is not liable for a Misrepresentation in forward-looking information in the offering memorandum or amendment if the person or company proves that:

- (a) with respect to the document containing the forward-looking information, proximate to that information there is contained:
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Yukon

Sections 112 and 121 of the *Securities Act* (Yukon) provides that where the offering memorandum is delivered to a purchaser resident in the Yukon and it contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution is deemed to have relied on the Misrepresentation, and has a right of action for damages against the Fund, the selling securityholder on whose behalf the distribution is made, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a

purchaser also has a right of rescission against the Fund or the selling securityholder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) a person or company will not be liable if the person or company proves that the purchaser purchased the Units with the knowledge of the Misrepresentation;
- (b) except the Fund and selling security holder, a person or company will not be liable if:
 - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of that person or company;
 - (ii) the person or company, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - A. there had been a Misrepresentation; or
 - B. the relevant part of the offering memorandum (1) did not fairly represent the report, statement or opinion of the expert (2) or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
- (c) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed that there had been a Misrepresentation;
- (d) a Fund, and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation
 - (i) was based on information that was previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;

- (e) the amount recoverable by the purchaser in an action for damages must not exceed the price at which the Units purchased by the purchaser were offered;
- (f) in an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the Misrepresentation; and
- (g) no action shall be commenced to enforce a right of action more than:
 - (i) for rescission, 180 days after the date of purchase; or
 - (ii) for damages, the earlier of: (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

In addition, no person or company will be liable with respect to a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.