No. ___

CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. ***No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *No prospectus has been filed with any such authority in connection with the securities offered hereunder. This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not to be construed as a prospectus or advertisement or a public offering of these securities.*

Continuous Offering **February 1, 2019**

DKAM CAPITAL IDEAS FUND LP

Limited Partnership Units

DKAM Capital Ideas Fund LP (the "**Partnership**") is an Ontario limited partnership formed to invest in securities. The investment objective of the Partnership is to maximize returns on investments. To achieve its investment objective, the Partnership will invest in a concentrated portfolio, 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.

The Partnership was formed on September 29, 2008 and will continue until it is dissolved. DKAM CI GenPar Inc. (the "**General Partner**") is the general partner of the Partnership. **The Partnership is a related and connected issuer of Donville Kent Asset Management Inc. (the "Investment Manager"), the investment manager of the Partnership and an affiliate of the General Partner and of the Special LP Unit Holder (as defined below).** The Investment Manager will earn fees from the Partnership. Also, the General Partner and the Special LP Unit Holder will be entitled to receive certain distributions from the Partnership. See "Conflicts of Interest" and "Profit Allocation".

Purchasers of Units become Limited Partners of the Partnership and will be bound by the terms of a Limited Partnership Agreement governing the Partnership.

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT
MINIMUM INITIAL INVESTMENT: $150,000 OR
$50,000 FOR ACCREDITED INVESTORS

The Partnership is permitted to create an unlimited number of limited partnership units (the "**Units**"). An unlimited number of Class A, Class B and Class F Units are being offered hereby. The Units are being distributed to investors resident in all provinces and territories of Canada, except for Newfoundland and Labrador, pursuant to available prospectus exemptions under applicable securities laws through registered dealers and/or through the Investment Manager provided that the Investment Manager has the appropriate registrations for such distribution

under applicable securities laws in the province or territory. Subscriptions may be accepted on the last business day of each month and on such other dates as the General Partner may prescribe, and Units will be issued on the next business day. For each Class, Units will be issued in series. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit calculated in the manner described below under "Net Asset Value." This offering is not subject to any minimum aggregate subscription level, and therefore any funds invested are available to the Partnership and need not be refunded to the subscriber.

Units may be redeemed on a monthly basis, on the last business day of each month, upon not less than thirty (30) days' written notice.

These securities are speculative. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership.

There is no market through which the Units may be sold and none is expected to develop. The Units are also subject to resale restrictions under the Partnership's Limited Partnership Agreement and applicable securities legislation. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Redemptions will be suspended if there is insufficient liquidity in the Partnership. There are certain additional risk factors associated with investing in the Units. Investors should consult their own professional advisers to assess the income tax, legal and other aspects of the investment. Please see "Risk Factors" and "Transfer or Resale".

The securities offered hereby are offered exclusively by the Partnership on a private placement basis in reliance upon exemptions from the prospectus and registration requirements of applicable securities laws. Prospective investors must be "accredited investors" as defined under applicable securities laws unless another exemption from the prospectus and registration requirements can be relied on. No person is authorized to give away any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than that contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any information contained in it.

Subscribers are urged to consult with an independent legal adviser prior to signing the Subscription Agreement for the Units and to carefully review the Limited Partnership Agreement delivered with this Offering Memorandum.

As of February 1, 2019, the Partnership is open to accepting new subscriptions, subject always to the General Partner's right to refuse subscriptions in whole or in part. Despite the foregoing, the General Partner may, at any time and from time to time, decide to close the Fund to new subscriptions, at its sole discretion.

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SUMMARY

This summary is qualified by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

The Partnership:	DKAM Capital Ideas Fund LP (the "**Partnership**"), a limited partnership formed under the laws of the Province of Ontario. See "The Partnership".
General Partner:	DKAM CI GenPar Inc. (the "**General Partner**"), a corporation incorporated under the laws of the Province of Ontario. The General Partner is responsible for management and control of the business and affairs of the Partnership.
Investment Manager:	Donville Kent Asset Management Inc. (the "**Investment Manager**"), a corporation incorporated under the laws of Canada. The General Partner has engaged the Investment Manager to direct the affairs of the Partnership and to provide day-to-day management services to the Partnership, management of the Partnership's portfolio on a discretionary basis and distribution of the Units of the Partnership. See "The Investment Manager".
Special LP Unit Holder	DKAM CI GenPar Subsidiary Inc. (the "**Special LP Unit Holder**"), a corporation incorporated under the laws of the Province of Ontario. The Special LP Unit Holder is entitled to hold the special LP unit, a limited partnership interest in the Partnership (the "**Special LP Unit**"). See "Profit Allocation".
Investment Objectives and Strategies	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. To achieve its investment objective, the Partnership will invest 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. 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. See "Investment Objectives and Strategies of the Partnership".
The Offering:	The Partnership is permitted to create an unlimited number of limited partnership units (the "**Units**") issuable in an unlimited number of classes and series. Currently, three classes of Units are offered pursuant to this Offering Memorandum: Class A, Class B and Class F. Each class will be charged a different management fee. A new series of Units will be issued on each successive Valuation Date on which Units are issued.

Class A Units are available to 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 available to investors who purchase through a fee based account. Units are available to all investors who meet the minimum investment criteria.

As of February 1, 2019, the Partnership is open to accepting new subscriptions, subject always to the General Partner's right to refuse subscriptions in whole or in part. Despite the foregoing, the General Partner may, at any time and from time to time, decide to close the Fund to new subscriptions, at its sole discretion.

See "The Offering", "Summary of Limited Partnership Agreement – The Units" and "Investment Management Agreement".

Minimum Individual Subscription:

The Units are being distributed through registered dealers and/or through the Investment Manager provided that the Investment Manager has the appropriate registrations for such distribution under applicable securities law, only pursuant to available exemptions in all provinces and territories of Canada, except for Newfoundland and Labrador, to investors (a) who are "accredited investors" under National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") or the *Securities Act* (Ontario), (b) who are not individuals and who invest a minimum of $150,000 in the Partnership pursuant to the minimum amount investment exemption (the "**Minimum Amount Investment Exemption**") (other than in Alberta where this exemption is not being made available), or (c) to whom Units may otherwise be sold. The minimum initial investment is $150,000, or $50,000 for accredited investors for Class A and Class F Units. For Class B units, the minimum initial investment is $10 million or such other amount as the General Partner may determine in its discretion. The General Partner has the discretion to accept subscriptions for such lesser amounts as may be determined by the General Partner in its discretion in accordance with applicable laws.

Each additional investment must be in an amount that is not less than $10,000 and, for investors who are not accredited investors and who initially acquired Units of the Partnership under the Minimum Amount Investment Exemption, at the time of the additional investment, the Units held by the investor must have an acquisition cost or a Net Asset Value equal to at least $150,000. The General Partner has the discretion to accept subscriptions for such lesser amounts as may be determined by the General Partner in its discretion in accordance with applicable laws.

At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the General Partner the covenants and representations contained in the Subscription Agreement delivered by the investor to the General Partner at the time of the initial investment. See "Minimum Individual Subscriptions".

Subscriptions:

Subscriptions will be accepted on a monthly basis, being on the last business day in each month or on such other date as the General Partner may permit (each, a "**Valuation Date**"), subject to the General Partner's discretion to refuse subscriptions in whole or in part. Units will be issued as of the next business day. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit to be determined by the General Partner. See "The Offering" and "Subscriptions".

Redemptions:

Redemptions will be permitted on a monthly basis, being on the last business day of each month or on such other dates as the General Partner may permit (each, a "**Redemption Date**") pursuant to written notice that must be received by the Partnership 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. There will be deducted from redemption proceeds otherwise payable an amount (the "**Redemption Expense Deduction**") 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 a distribution payable to the Special LP Unit Holder on such date (to the extent not already reflected in the Net Asset Value of the redeemed Units) as further described under "Profit Allocation". Units held by a redeeming Limited Partner will be redeemed on a first-in, first-out basis. The Redemption Expense Deduction shall be retained by the Partnership.

Redemptions may be deferred in certain circumstances. The General Partner will not permit redemptions (either in whole or in part) at any time where the General Partner is of the opinion, in its sole discretion, that there are insufficient liquid assets in the Partnership to fund such redemptions or that the liquidation of assets would be to the detriment of the Partnership generally.

The General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Redemption Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the designated Redemption Date, which right may be exercised by the General Partner in its absolute discretion. See "Redemptions".

Transfer or Resale:

Units may only be transferred with the consent of the General Partner and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. See "Transfer or Resale".

Investment Manager's Fees:

The Investment Manager will receive a monthly management fee (the "**Management Fee**") in arrears, on the last Valuation Date in each month, equal to 1/12 of:

2% for Class A Units
1.75% for Class B Units
1% for Class F Units

on the respective Net Asset Value of such Class of the Partnership as at the first business day of such month. See "Investment Management Agreement" and "Net Asset Value."

Management fees payable by the Partnership are subject to HST and will be deducted as an expense of the Partnership in the calculation of the Net Asset Value of the Partnership.

Payment of Expenses:

The Partnership shall be responsible for, and the General Partner shall be entitled to reimbursement from the Partnership for, all costs and operating expenses actually incurred in connection with the organization and ongoing activities of the Partnership, including but not limited to:

(i) third party fees and expenses, which include Investment Manager's fees, accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communication expenses, organizational expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and

(ii) fees and expenses relating to the Partnership's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees.

See "Limited Partnership Agreement – Expenses".

Profit Allocation:

The Special LP Unit Holder 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 based on the increase, if any, in the Net Asset Value of such Class A Unit, Class B Unit or Class F Unit. Such distributions are equal to 20% of the positive amount, if any, obtained when the High Water Mark for such Unit is subtracted from the Net Asset Value of such Unit on such Valuation Date or Redemption Date (if such amount is negative, the Redemption Distribution in respect of such Unit shall be zero). "**High Water Mark**" for a Unit means, initially, (i) in respect of a Unit outstanding prior to January 1, 2009, the Net Asset Value of such Unit on December 31, 2008 (after payment of all fees and expenses as at such date), and (ii) in respect of a Unit issued on or after January 1, 2009, 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 Special LP Unit Holder in respect of such Unit (as further adjusted following a consolidation or subdivision of Units).

	Limited Partners will, therefore, effectively share in net profits and net losses of the Partnership by increases or decreases in the Net Asset Value of their Units on the basis that any increase in such Net Asset Value above the High Water Mark will accrue as to 80% to the holder of the Unit and the remaining 20% will be distributed to the Special LP Unit Holder. Any distribution paid to the Special LP Unit Holder will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the respective Unit. See "Profit Allocation".
Allocations for Tax Purposes:	Net income for taxation purposes, dividends and taxable capital gains of the Partnership in each fiscal year will be allocated as at the last day of such year to (i) the Special LP Unit Holder generally equal to the incentive distributions received by it and payable in that year, (ii) the General Partner generally equal to the $100 distribution received by it and payable in that year; and (iii) to Limited Partners who hold Units at any time during such year (and in certain cases to Limited Partners who held Units at any time in the previous fiscal year) generally based on the number, class and series held by such Limited Partners, the dates of purchase and/or redemption, the respective Net Asset Values of each class and series of Units, the fees paid or payable in respect of each class and series of Units, incentive distributions, if any, paid to the Special LP Unit Holder in respect of each class and series of Units, the tax basis of such Units, and the date of realization of each such item of income, gain or loss, as the case may be. See "Summary of Limited Partnership Agreement – Allocation of Income and Loss".
Distributions to Limited Partners:	Distributions of allocated income may be made to Limited Partners from time to time at the discretion of the General Partner. See "Summary of Limited Partnership Agreement – Distributions".
Fiscal Year End:	December 31 in each year.
Term:	The Partnership has no fixed term. Dissolution may only occur on 30 days' written notice by the General Partner to each Limited Partner, or 60 days following the removal of the General Partner (unless the Limited Partners vote to appoint a replacement General Partner and continue the Partnership).
Financial Reporting:	Upon request, audited financial statements will be provided within ninety (90) days of each fiscal year end and unaudited financial information respecting the Net Asset Value per Unit will be provided on a monthly basis. See "Summary of Limited Partnership Agreement – Reports to Limited Partners".
Tax Considerations:	Persons investing in a limited partnership such as the Partnership should be aware of the tax consequences of investing in, holding and/or redeeming Units. **Investors are urged to consult with their tax advisers to determine the tax consequences of an investment in the Partnership.**
Limited Liability:	The liability of each Limited Partner for the debts, liabilities, obligations

	and losses of the Partnership will be limited to the amount of the capital contributed by the Limited Partner, unless the Limited Partner takes part in the control of the business of the Partnership. See "Summary of Limited Partnership Agreement – Liability" and "Risk Factors".
Release of Confidential Information:	Under applicable anti-money laundering rules, the General Partner, the Investment Manager or the Administrator may voluntarily release confidential information about Limited Partners and, if applicable, about the beneficial owners of corporate Limited Partners, to regulatory or law enforcement authorities if they determine to do so in their discretion.
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 the Investment Manager. See "Risk Factors".
Sales Commission:	There is no commission payable by the purchaser to the General Partner or the Investment Manager upon the purchase of the Units; however, purchasers may pay a negotiated fee of up to 3% on Class A Units if purchasing through a dealer. There is no commission payable by the purchaser if purchasing Class F Units. Subject to applicable law, the Investment Manager may pay, out of the fees payable to the Investment Manager by the Partnership, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Class A Units. No such referral fee or trailing commission is applicable to Class B Units or Class F Units.
Canadian Legal Counsel:	AUM Law Professional Corporation, Toronto, Ontario
U.S. Legal Counsel	Sichenzia Ross Friedman Ference LLP, New York, New York
Auditors:	Deloitte LLP, Toronto, Ontario

THE PARTNERSHIP

DKAM Capital Ideas Fund LP (the "**Partnership**") was formed under the laws of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) (the "**LP Act**") on September 29, 2008. The Partnership is governed by a limited partnership agreement dated as of September 29, 2008 and amended as of November 16, 2009, April 1st, 2012, March 27, 2015 and November 30, 2018 and as may be further amended (the "**Limited Partnership Agreement**"), made between the General Partner, Jane E. Donville (the "**Initial Limited Partner**") and each of the Limited Partners. The principal place of business of the Partnership and of the general partner of the Partnership, DKAM CI GenPar Inc.(the "**General Partner**"), is 123 Front Street West, Suite 902, Toronto, Ontario, Canada M5J 2M2. See "Summary of Limited Partnership Agreement".

The interest of each limited partner of the Partnership (the "**Limited Partner**") will represent the same proportion of the total interest of all Limited Partners as the Net Asset Value of Units held by such Limited Partner is of the total Net Asset Value of the Partnership.

THE GENERAL PARTNER

The General Partner was incorporated under the *Business Corporations Act* (Ontario) on September 26, 2008. The General Partner may act as general partner of other limited partnerships, but does not presently carry on any other business operations and currently has no significant assets or financial resources. Jason Donville is the principal shareholder, director and officer of the General Partner. Certain Limited Partners may from time to time directly or indirectly own shares of the General Partner. The General Partner may also become a Limited Partner by purchasing Units. The General Partner is generally responsible for management and control of the business and affairs of the Partnership in accordance with the terms of the Limited Partnership Agreement. The General Partner has engaged the Investment Manager to carry out its duties, including management of the Partnership on a day-to-day basis, management of the Partnership's portfolio and distribution of the Units of the Partnership, but remains responsible for supervising the Investment Manager's activities on behalf of the Partnership. In exchange for its services, the General Partner will receive a distribution of $100 on the last Valuation Date of each fiscal year (including, for greater certainty, upon termination of the Partnership).

THE SPECIAL LP UNIT HOLDER

The Special LP Unit Holder was incorporated under the *Business Corporations Act* (Ontario) on November 29, 2018. The Special LP Unit Holder is a wholly-owned subsidiary of the General Partner. Jason Donville is the sole director and officer of the Special LP Unit Holder. The Special LP Unit Holder is entitled to hold the Special LP Unit. The Special LP Unit Holder is entitled to receive an incentive distribution from the Partnership. See "Profit Allocation".

THE INVESTMENT MANAGER

The General Partner has engaged Donville Kent Asset Management Inc. (the "**Investment Manager**") to direct the day-to-day business, operations and affairs of the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the Units of the Partnership. The Manager may delegate certain of these duties from time to time with the consent of the General Partner. The Investment Manager was incorporated under the laws of Canada on August 13, 2007. The principal place of business of the Investment Manager is 123 Front Street West, Suite 902, Toronto, Ontario, Canada M5J 2M2. Jason Donville is the principal shareholder of the Investment Manager.

The following are the directors and officers of the Investment Manager:

Name and Municipality of Residence:	Office with the Investment Manager
Jason P. Donville Oakville, Ontario	President and Chief Executive Officer and Director
Ali Jaffer Toronto, Ontario	Chief Financial Officer and Director
Jesse Gamble Toronto, Ontario	Director

Set out below are the particulars of the relevant experience of each director and officer:

Jason P. Donville

Jason P. Donville has accumulated over 17 years of experience in the investment industry. Following graduation from the Ivey School of Business at the University of Western Ontario in 1992, Mr. Donville relocated to Singapore and, shortly thereafter, was employed as an equity analyst with Vickers Ballas Securities. A year later, he joined Credit Lyonnais Securities Asia (CLSA), a rapidly expanding investment bank and Asia's leading investment research firm. Over the course of four years, Mr. Donville was promoted from analyst to senior analyst and eventually Head of Research for Indonesia. While in Indonesia, he achieved a third place ranking in the Institutional Investor Magazine All Asia Research team. After nearly five years with CLSA, Mr. Donville subsequently moved to CSFB where he was initially employed as the Head of Research for Indonesia and, thereafter, became the Director of Research in Singapore.

In 1999, Mr. Donville returned to Canada and was employed in a variety of research roles in Calgary. In early 2003, he moved to Toronto to join Sprott Securities (now Cormark) where Mr. Donville became the firm's first dedicated financial services analyst. At Sprott, Mr. Donville covered close to 20 financial services stocks which spanned the spectrum of the financial services industry and included banks (Canadian Western Bank, Laurentian Bank), Bourses (the TSX Group), Trust Companies (B2B Trust, Home Capital, The Equitable Group, Grey Horse Capital), Broker/Dealers (GMP, Cannacord), Asset Management Companies (SEAMARK, Addenda, Sceptre, Gluskin Scheff) and property and casualty companies (ING Canada, Northbridge Financial, Kingsway Financial, EGI Financial). During his time at Sprott/Cormark Mr. Donville was consistently ranked as one of the top financial services analysts in the country. In 2004 and 2005, Mr. Donville was ranked in all three financial services research categories (banks, insurance and diversified financial services) in the annual Brendan Woods surveys. Mr. Donville was also recognized as the "Top Stock Picker" in Diversified Financial Services in the 2004 and 2005 National Post/Starmine surveys, and ranked number 3 for forecast accuracy in 2004 in the same survey.

Ali Jaffer

Ali Jaffer has over 20 years of financial and administrative management experience in the software, alternative energy and real estate sectors, working in both public and private companies. Following graduation from the Northern Alberta Institute of Technology in 1994, Mr. Jaffer began working as a corporate accountant for a private real estate development firm, while pursuing his Certified Management Accountant (CMA) designation. After receiving his CMA designation in 1997, Mr. Jaffer worked as a financial analyst and Controller for various private sector companies in Edmonton Alberta, and Toronto, Ontario, where he has been residing since 2004. Prior to joining Donville Kent Asset

Management Inc. in January 2010, Mr. Jaffer was the Chief Financial Officer of a software company ranked as one of North America's Fastest Growing Companies in Deloitte's Fast 500 program. Mr. Jaffer completed his Master of Business Administration in Investment Management from the Goodman Institute, Concordia University in 2008.

Jesse Gamble

Jesse Gamble is a director of the Investment Manager and employed full time by the Investment Manager in the position of Vice President and Portfolio Manager. Mr. Gamble has been working closely with Jason Donville to manage the assets of the Partnership since 2011. Mr. Gamble received an MBA from the Richard Ivey School at Western University and a B.Sc. degree from the Dyson School of Economics at Cornell University. Additionally, Mr. Gamble holds the Certified Investment Manager designation and is registered with the Ontario Securities Commission as a Portfolio Manager.

INVESTMENT OBJECTIVES AND STRATEGIES OF THE PARTNERSHIP

Investment Objective

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.

Investment Strategy

To achieve its investment objective, the Partnership will invest 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.

Investment Process

The Partnership intends to invest primarily in publicly listed securities in a concentrated group of companies. These companies will typically be run by a strong management team that has a significant ownership stake in the companies they run. These companies will also be characterised as having a track record of earning high returns on shareholders equity. These companies will also be capable of generating high returns on equity for many years to come without the addition of significant amounts of equity capital other than that which is being generated internally. In addition, the Investment Manager may, from time to time, maintain positions in other listed or over-the-counter products including, but not limited to, warrants, private-placements, preferred shares and exchange-traded funds.

In executing this strategy, the Investment Manager will focus on investments that meet the following criteria:

- long investments other than cash will consist of securities that the Investment Manager believes are currently undervalued in the securities markets or anticipates will experience an appreciation in market value. Typically, this would include, but is not limited to, companies with improving fundamentals, strong balance sheets, superior earnings growth potential, solid business models and quality management teams. The security selection will trend towards certain industries that tend to foster companies with high returns to shareholders equity. The Investment Manager may also engage, from time to time, in short-sales of securities which are believed to be extremely overvalued and where a catalyst has been identified to realize this value, as well as in circumstances whereby such activity is perceived to benefit the overall value of the portfolio,

over the medium term, by improving liquidity, risk management, or by any other measure deemed appropriate

- the Investment Manager will focus on investments that the Investment Manager expects to hold for more than 12 months.

Use of Leverage

The Partnership intends to use leverage on a routine basis and has no restriction on doing so to a maximum of 200% in the aggregate (at the time of leverage) of the Partnership's Net Asset Value.

Cash Positions

The Investment Manager may hold cash in short term debt instruments, money market funds or similar temporary investments pending full investment of the Partnership's capital and at any time deemed appropriate by the Investment Manager.

Short Positions

The Partnership may not commit more than 30% of its equity to short positions. The Investment Manager anticipates that short positions will be used by the Partnership as deemed necessary for hedging or speculative purposes from time to time and that the Partnership will not be maintaining short or hedged positions at all times.

The Partnership will seek to sell securities which are believed to be extremely overvalued and where a catalyst has been identified to realize this value over the medium term.

The Partnership will short-sell companies and industries which are overvalued with respect to a business' growth and projected prospects and which may face financial distress, competitive pressure or fraud.

Investment Restrictions

The Partnership may not place more than 20% of its portfolio, as measured in cost, in any single long or short position, subject to any other investment restriction that may apply.

The Partnership is expected to employ leverage, and it may borrow, or employ other forms of leverage in an aggregate amount not to exceed 200% of the Net Asset Value of the Partnership at the time of borrowing or other transactions entered into.

General

There can be no assurances that the Partnership will achieve its investment objective.

The Investment Manager may at any time adopt new strategies or deviate from the foregoing guidelines as market conditions dictate. In the event of any material deviation from its current intended strategies, the Investment Manager will advise the General Partner immediately and the General Partner will thereafter advise the Limited Partners in writing. While the Investment Manager typically will try to minimize risk in selecting investments, it should be understood that the risk management techniques utilized by the Investment Manager cannot provide any assurance that the Partnership will not be exposed to risks of significant investment losses. Please refer to "Risk Factors" for more information.

Statutory Caution

The foregoing disclosure of the Investment Manager's investment strategies and intentions may constitute "forward-looking information" for the purpose of Ontario securities legislation, as it contains statements of the Investment Manager's intended course of conduct and future operations of the Partnership. These statements are based on assumptions made by the Investment Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Investment Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Investment Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Investment Manager's intended strategies as well as its actual course of conduct. Investors are urged to read "Risk Factors" below for a discussion of other factors that will impact the operations and success of the Partnership.

THE OFFERING

Class A , Class B and Class F Units offered hereby are being offered to investors resident in all provinces and territories of Canada, except for Newfoundland and Labrador, pursuant to exemptions from prospectus and registration requirements contained in NI 45-106 through registered dealers and/or through the Investment Manager provided that the Investment Manager has the appropriate registrations for such distribution under applicable securities law in the province or territory. In Alberta, the Minimum Amount Investment Exemption is not being made available to investors.

Units are being offered to investors who meet the minimum investment criteria. A new series of Units will be issued on each successive Valuation Date on which Units are issued.

The Partnership is permitted to create an unlimited number of limited partnership units (the "**Units**") issuable in an unlimited number of classes and series. Currently, three classes of Units are offered pursuant to this Offering Memorandum: Class A, Class B and Class F. Each class will be charged a different management fee. A new series of Units will be issued on each successive Valuation Date on which Units are issued.

Class A Units are available to 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 available to investors who purchase through a fee based account. Units are available to all investors who meet the minimum investment criteria.

Subscriptions may be accepted at the discretion of the General Partner on the last business day of each month or on such other date as the General Partner may approve (each, a "**Valuation Date**"), subject to applicable law, provided a duly completed Subscription Agreement and subscription proceeds are received by the General Partner by the close of business on the business day prior to the relevant Valuation Date. Units will be issued on the business day following the Valuation Date on which the subscription is accepted. Units will be issued in series. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit to be calculated in the manner described below under "Net Asset Value". It is in the discretion of the General Partner to change this policy.

The offering is restricted to persons who have the capacity and competence to enter into and be bound by the Limited Partnership Agreement.

As of February 1, 2019, the Partnership is open to accepting new subscriptions, subject always to the General Partner's right to refuse subscriptions in whole or in part. Despite the foregoing, the General

Partner may, at any time and from time to time, decide to close the Fund to new subscriptions, at its sole discretion.

MINIMUM INDIVIDUAL SUBSCRIPTIONS

The minimum initial investment is $150,000, or $50,000 for accredited investors, or such lesser amount as may be accepted by the General Partner in its discretion in accordance with applicable laws.

Each additional investment must be in an amount that is not less than $10,000 and, for investors who are not accredited investors and who initially acquired Units of the Partnership under the Minimum Amount Investment Exemption, at the time of issuance of the additional investment, the Units held by the investor must have an acquisition cost or a Net Asset Value equal to at least $150,000. The General Partner has the discretion to accept subscriptions for such lesser amounts as may be determined by the General Partner in its discretion in accordance with applicable laws. Subsequent additional investments are subject to acceptance or rejection by the General Partner.

These minimums are net of any front end commissions paid by an investor to his or her agent.

WHO SHOULD INVEST

The Partnership is designed to attract investment capital which is surplus to an investor's basic financial requirements.

Whether subscribers for Units are purchasing through their own dealer or directly from the Investment Manager (in its capacity as an exempt market dealer), the dealer through whom the Units are purchased has an obligation under applicable securities laws to determine suitability of the investment for such purchaser, unless the purchaser is a "permitted client" and either waives such requirement or the dealer is otherwise exempt from such requirement. Subscribers purchasing directly from the Investment Manager will be required to provide certain information in the subscription agreement (referred to as know-your-client information) on which the Investment Manager will rely in determining such suitability.

The following persons and entities may not invest in this Partnership:

(a) "non-residents", partnerships other than "Canadian partnerships", "tax shelters", "tax shelter investments", or any entities an interest in which is a "tax shelter investment", or in which a "tax shelter investment" has an interest, within the meaning of the *Income Tax Act* (Canada) (the "ITA"); and

(b) a partnership which does not have a prohibition against investment by the foregoing persons.

By purchasing Units, a Limited Partner represents and warrants that he, she or it is not one of the above and shall indemnify and hold harmless the Partnership and each other Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or such other Limited Partner, as the case may be, that result from or arise out of a breach of such representation and warranty. Any Limited Partner who fails to provide evidence satisfactory to the General Partner of such status when requested to do so from time to time may be removed as a Limited Partner by the redemption of his Units in accordance with the Limited Partnership Agreement.

Any Limited Partner whose status in that regard changes shall be deemed to have ceased to be a Limited Partner (for all purposes other than taxation and liability) immediately prior to the date on which such status changes and shall thereafter only be entitled to receive from the Partnership an amount equal

to the lesser of the Net Asset Value of such Limited Partner's Units as at the date on which he or she ceases to be a Limited Partner and the Net Asset Value of such Units as at the date the General Partner learns that such Limited Partner's status has changed, less all such deductions as provided in the Limited Partnership Agreement as if such Limited Partner voluntarily redeemed his or her Units.

In addition, any Limited Partner that is or becomes a "financial institution" within the meaning of Section 142.2 of the ITA (as same may be amended or replaced from time to time) shall disclose such status to the General Partner at the time of subscription (or when such status changes) and the General Partner may restrict the participation of any such Limited Partner or require any such Limited Partner at any time to redeem all or some of such Limited Partner's Units. A Limited Partner who fails to identify itself as a financial institution shall indemnify and hold harmless the Partnership and each other Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or such other Limited Partner, as the case may be, that result from or arise out of such failure. Any Limited Partner who is or who becomes a financial institution after becoming a Limited Partner shall be deemed to have, immediately prior to the date on which it becomes a financial institution (or the date of issue of Units to such financial institution, whichever is later), redeemed some or all of such Limited Partner's Units to the extent necessary to result in financial institutions owning in the aggregate Units having a Net Asset Value that is less than one-half of the Net Asset Value of all of the Units, and shall be entitled to receive from the Partnership as redemption proceeds an amount equal to the lesser of the Net Asset Value of such redeemed Units as at the date on which it is deemed to have redeemed such Units and the Net Asset Value of such Units as at the date the General Partner learns that such Limited Partner is a financial institution, less all such deductions as provided in the Limited Partnership Agreement as if such Limited Partner voluntarily redeemed its Units.

SUBSCRIPTIONS

Subscriptions for Units must be made by completing and executing the subscription form and power of attorney (the "**Subscription Agreement**") provided by the General Partner and by forwarding to the Investment Manager such form together with a cheque (or other form of funds transfer acceptable to the General Partner) representing payment of the subscription price. Subscription funds provided prior to a Valuation Date will be kept in a segregated account. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction. Purchasers may forward completed Subscription Agreements directly to the Investment Manager.

The Limited Partnership Agreement and the Subscription Agreement (required to be executed by an investor) include an irrevocable power of attorney authorizing the General Partner, on behalf of the investor (as a Limited Partner), to execute any amendments to the Limited Partnership Agreement and all instruments necessary to reflect the formation of, amendment to, or dissolution of, the Partnership or the registration of the Partnership in any jurisdiction as well as any elections, determinations or designations under the ITA or other taxation legislation or laws of like import with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership.

Unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the General Partner the covenants and representations contained in the Subscription Agreement delivered by the investor to the General Partner at the time of the initial investment.

Prospectus Exemptions

Units are being sold under available exemptions from the prospectus and registration requirements under NI 45-106. The Units are being distributed only to investors (a) who are "accredited

investors" as defined in NI 45-106 or the *Securities Act* (Ontario) , (b) who are non-individuals and invest a minimum of $150,000 in the Partnership (the "**Minimum Amount Investment Exemption**") (the Minimum Amount Investment Exemption will not be made available in Alberta), or (c) to whom Units may otherwise be sold. Purchasers will be required to make certain representations in the Subscription Agreement and the General Partner will rely on such representations to establish the availability of the exemptions from prospectus requirements described above. Investors, other than individuals, that are not accredited investors, or are accredited investors solely on the basis that they have net assets of at least $5,000,000, must also represent to the General Partner (and may be required to provide additional evidence at the request of the General Partner to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor. **The so-called "Offering Memorandum Exemption" is not being relied on, nor is the Minimum Amount Investment Exemption being relied on in Alberta, and investors do not have the benefit of certain additional protections that NI 45-106 gives to investors when an issuer relies on the Offering Memorandum Exemption.**

No subscription will be accepted unless the Investment Manager is satisfied that the subscription is in compliance with applicable securities laws.

Accredited Investors

The Investment Manager has determined that the minimum investment for persons who meet the definition of "accredited investor" (as defined in NI 45-106) is $50,000. A list of the criteria used to determine whether an investor is an accredited investor is set out in the Subscription Agreement delivered with this Offering Memorandum, but generally includes individuals who have financial assets, either alone or with their spouse, having an aggregate value that, before taxes, but net of liabilities exceeds $1,000,000, or personal net income before taxes that exceeds $200,000 or combined spousal net income before taxes that exceeds $300,000 (in the previous two years with reasonable prospects of same in the current year).

REDEMPTIONS

A Limited Partner may redeem Units on any Valuation Date. Redemption requests must be made to the General Partner on behalf of the Partnership at least thirty (30) days prior to the Valuation Date on which the redemption is to be made (the "**Redemption Date**").

Upon redemption of a Unit, the Limited Partner will receive proceeds of redemption equal to the Net Asset Value of such Unit as at the close of business on the designated Redemption Date. There will be deducted from redemption proceeds otherwise payable and retained by the Partnership an amount (the "**Redemption Expense Deduction**") equal to 3% of the Net Asset Value of such Units if those Units are tendered for redemption within 3 months of purchase. The Redemption Expense Deduction shall be retained by the Partnership to compensate the Partnership for disposition expenses (including brokerage fees and/or market spread) incurred to enable the Partnership to fund such redemption. If a redeeming Limited Partner owns Units of more than one series, Units will be redeemed on a "first in, first out" basis, meaning that Units of the earliest series of the applicable class owned by the Limited Partner will be redeemed first, at the redemption price for Units of such series, until such Limited Partner no longer owns Units of such series (although this policy may be amended depending on tax considerations). If Units are redeemed on a Redemption Date that is not the last business day of a fiscal year, the Special LP Unit Holder may receive a distribution from the Partnership and the amount of such distribution will be deducted from the redemption proceeds otherwise payable to the Limited Partner (see "Summary of Limited Partnership Agreement - Distributions").

The General Partner will not permit redemptions (either in whole or in part) at any time where the General Partner is of the opinion, in its sole discretion, that there are insufficient liquid assets in the Partnership to fund such redemptions or that the liquidation of assets would be to the detriment of the Partnership generally.

The General Partner will advise the Limited Partners who have requested a redemption if redemptions will be limited or suspended on a requested Redemption Date. Redemption requests which are rejected as at a Redemption Date will be accepted on the next Redemption Date on which redemption requests are honoured in priority to redemption requests made after the deadline for redemption requests in respect of such earlier Redemption Date. Partial redemptions on a Redemption Date will be made on a pro rata basis. Redemption requests are irrevocable unless they are not honoured on a Redemption Date, in which case they may be withdrawn within 15 days following such Redemption Date.

The General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Redemption Date designated by the General Partner at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the designated Redemption Date, which right may be exercised by the General Partner in its absolute discretion.

TRANSFER OR RESALE

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements of applicable securities legislation, the resale of these securities by investors is subject to restrictions. An investor should refer to applicable provisions in consultation with a legal adviser. Furthermore, no transfers of Units may be effected unless the General Partner, in its sole discretion, approves the transfer and the proposed transferee. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the Units.

Subscribers 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 Limited Partnership Agreement.

NET ASSET VALUE

The Net Asset Value of the Partnership and the Net Asset Value per Unit of each class and series of Units will be determined as of 4:00 p.m. (Toronto time) on the last business day of each month (each, a "**Valuation Date**") by the General Partner, or a third party engaged by the General Partner for that purpose (the "**NAV Administrator**") in accordance with the Limited Partnership Agreement.

The Net Asset Value of each series will generally increase or decrease proportionately with the increase or decrease in the Net Asset Value of the Partnership (before deduction of class-specific and series-specific fees and expenses), and the Net Asset Value per Unit shall be determined (after deduction of class-specific and series-specific fees and expenses) by dividing the Net Asset Value of each series by the number of Units of such series outstanding.

Valuation Principles

The fair market value of the assets and the amount of the liabilities of the Partnership shall be calculated in such manner as the General Partner or NAV Administrator shall determine from time to time, subject to the following:

(a) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value of the Partnership is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the General Partner or NAV Administrator determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the General Partner or NAV Administrator determines to be the reasonable value thereof.

(b) The value of any security which is listed or dealt in upon a public securities exchange will be valued at the last available trade price on the Valuation Date or, if the Valuation Date is not a business day, on the last business day preceding the Valuation Date. If no sales are reported on such day, such security will be valued at the average of the current bid and asked prices. If the closing price is outside of the closing bid-ask range, then the closest bid or ask to the last trade will be used. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges or over-the-counter markets will be valued on the basis of the market quotation which, in the opinion of the General Partner or NAV Administrator, most closely reflects their fair value.

(c) Any securities which are not listed or dealt in upon any public securities exchange will be valued at the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the General Partner or NAV Administrator such value does not reflect the value thereof and in which case, the latest offer price or bid price as best reflects the value thereof should be used), as at the Valuation Date.

(d) The value of any restricted security shall be the lesser of (i) the market value thereof based on any available reported quotations in common use and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, warranty or agreement or by law, equal to the percentage that the acquisition cost thereof was of the market value of such securities at the time of acquisition thereof.

(e) All Partnership property valued in a foreign currency and all liabilities and obligations of the Partnership payable by the Partnership in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the General Partner or NAV Administrator to calculate Net Asset Value.

(f) Each transaction of purchase or sale of portfolio securities effected by the Partnership will be reflected in the computation of the Net Asset Value of the Partnership on the trade date.

(g) The value of any security or property to which, in the opinion of the General Partner or NAV Administrator, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the General Partner or NAV Administrator may from time to time determine based on standard industry practice.

(h) Short positions will be marked-to-market, i.e. carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above.

(i) All other liabilities shall include only those expenses paid or payable by the Partnership, including accrued contingent liabilities; however (A) organizational and start-up expenses will be amortized by the Partnership over a 5 year period; and (B) expenses and fees allocable only to a class and series of Units shall not be deducted from the Net Asset Value of the Partnership prior to determining the Net Asset Value of each class and series, but shall thereafter be deducted from the Net Asset Value so determined for each such class and series.

The General Partner and the Investment Manager may determine such other rules as they deem necessary from time to time, which rules may deviate from Canadian generally accepted accounting principles (GAAP).

INVESTMENT MANAGEMENT AGREEMENT

In order to set out the duties of the Investment Manager, the Partnership has entered into an Investment Management Agreement (the "**Investment Management Agreement**") with the Investment Manager dated as of September 29, 2008 and amended as of November 16, 2009. Pursuant to the Investment Management Agreement, the Investment Manager shall direct the affairs of the Partnership and provide day-to-day management services to the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the Units of the Partnership, and such other services as may be required from time to time. The Investment Manager may delegate certain of these duties from time to time with the consent of the General Partner.

Pursuant to the Investment Management Agreement, the Investment Manager will receive a monthly management fee (the "**Management Fee**") in arrears, on the last Valuation Date in each month, equal to 1/12 of:

2% for Class A Units
1.75% for Class B Units
1% for Class F Units

on the respective Net Asset Value of such Class of the Partnership as at the first business day of such month. See "Investment Management Agreement" and "Net Asset Value."

Management Fees payable by the Partnership are subject to HST and will be deducted as an expense of the Partnership in the calculation of the Net Asset Value of the Partnership.

The Investment Manager may pay referral fees from time to time to agents who participated in the marketing of the Units, out of fees earned by the Investment Manager from the Partnership.

The Investment Management Agreement may be terminated by either the General Partner or the Investment Manager on 30 days' notice to the other, or immediately in the event of the dissolution or insolvency or bankruptcy of the other party or the termination of the Limited Partnership Agreement.

PROFIT ALLOCATION

The Special LP Unit Holder 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 a Unit based on the increase, if any, in the Net Asset Value of the Unit. Such distributions are equal to 20% of the positive amount, if any, obtained when the High Water Mark for such Unit is subtracted from the Net Asset Value of such Unit on such Valuation Date or Redemption Date (if such amount is negative, the Redemption Distribution in respect of such Unit shall be zero). "**High Water Mark**" for a Unit means, initially, (i) in

respect of a Unit outstanding prior to January 1, 2009, the Net Asset Value of such Unit on December 31, 2008 (after payment of all fees and expenses as at such date), and (ii) in respect of a Unit issued on or after January 1, 2009, 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 Special LP Unit Holder in respect of such Unit (as further adjusted following a consolidation or subdivision of Units).

Limited Partners will, therefore, effectively share in net profits and net losses of the Partnership by increases or decreases in the Net Asset Value of their Units on the basis that any increase in such Net Asset Value above the High Water Mark will accrue as to 80% to the holder of the Unit and the remaining 20% will be distributed to the Special LP Unit Holder.

Any distribution paid to the Special LP Unit Holder will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the Unit.

The General Partner shall be allocated a portion of the Partnership's income or taxable capital gains (in such respective amounts as the General Partner deems fair in all the circumstances) in an aggregate amount equal to $100.

SUMMARY OF LIMITED PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners and the General Partner are governed by the Limited Partnership Agreement (as amended from time to time) and the LP Act. The following is a summary of the Limited Partnership Agreement entered into by the General Partner and the Initial Limited Partner. **This summary is not intended to be complete and each investor should carefully review the Limited Partnership Agreement itself for full details of those provisions.**

The Units

The Partnership is permitted to create an unlimited number of limited partnership units (the "**Units**") issuable in an unlimited number of classes and series. Currently, three classes of Units are offered pursuant to this Offering Memorandum: Class A, Class B and Class F. Each be charged a different management fee. A new series of Units will be issued on each successive Valuation Date on which Units are issued.

Class A Units are available to 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 available to investors who purchase through a fee based account with their dealer. Units are available to all investors who meet the minimum investment criteria.

The Partnership has also issued a Special LP Unit and a GP Unit. The Special LP Unit entitles the holder thereof to receive an incentive distribution from the Partnership, as more particularly described under "Distributions" below. The GP Unit represents the general partner interest in the Partnership, is held by the General Partner and entitles the General Partner to a distribution of $100 on the last Valuation Date of each fiscal year.

Units may be designated by the General Partner as being Units of a series, and the opening Net Asset Value of each such series may be determined by the General Partner. Each issued and outstanding Unit of a series shall be equal to each other Unit of the same series with respect to all matters. The respective rights of the holders of Units of each series will be proportionate to the Net Asset Value of such series relative to the Net Asset Value of each other series. Other than the Special LP Unit, each Unit carries with it a right to vote, with one vote for each $1.00 of Net Asset Value attributed to such Unit (the

Net Asset Value of all Units held by a Limited Partner shall be aggregated for the purpose of determining voting rights). Fractional Units may be issued. A person wishing to become a Limited Partner shall subscribe for Units by means of a Subscription Agreement. The acceptance of any such subscription in whole or in part shall be subject to the General Partner's sole discretion. See Article 3 - The Units in the Limited Partnership Agreement.

On the first closing, Units designated by the General Partner as Series 1 Units were issued at a Net Asset Value per Unit of $100. On each successive date on which Units are issued, a new series of Units is issued at a price per Unit to be determined by the General Partner (the General Partner's current policy is to issue Units of subsequent series at the then Net Asset Value of the Series 1 Units). All changes in Net Asset Value (i.e. all income and expenses, and all unrealized gains and losses) of the Partnership shall be borne proportionately by each class and series of Units based on their respective Net Asset Values, except as follows: (i) subscription proceeds received by the Partnership in respect of a series of Units shall accrue to the Net Asset Value of such series; (ii) all redemption proceeds paid out by the Partnership in respect of a Unit of a series shall be deducted from the Net Asset Value of such series; and (iii) incentive distributions paid to the Special LP Unit Holder in respect of a Unit of a series shall be deducted from the Net Asset Value of such series. The Net Asset Value per Unit of each class and series shall be calculated by dividing the Net Asset Value of such respective classes and series by the number of Units of such classes and series then outstanding.

The General Partner may in its discretion create different classes of Units. Each class may be subject to different management fees, may have a profit-sharing arrangement with the Special LP Unit Holder and may have such other features as the General Partner may determine. As at the date hereof, the General Partner has designated three classes of Units for distribution pursuant to this Offering Memorandum: Class A Units, Class B Units and Class F Units, having the attributes described in this Offering Memorandum. The Partnership has also distributed the Special LP Unit and the GP Unit. The General Partner may re-designate a Limited Partner's Units from one class to another (and amend the number of such Units so that the Net Asset Value of the Limited Partner's aggregate holdings remains unchanged).

The General Partner also has the discretion to rename a series or convert a series of Units into another series without otherwise affecting the attributes of such series. The General Partner may also subdivide or consolidate Units of one or more series from time to time, in a manner different than other series, provided that the Net Asset Value per Unit for such series is adjusted such that the aggregate Net Asset Value for such series is unchanged. See Article 3 – The Units in the Limited Partnership Agreement.

Allocation of Income and Loss

Net income for taxation purposes, dividends and taxable capital gains of the Partnership in each fiscal year will be allocated as at the last day of such year to (i) the Special LP Unit Holder generally equal to the incentive distributions received by it and payable in that year, (ii) the General Partner generally equal to the $100 distribution received by it and payable in that year; and (iii) to Limited Partners who held Units at any time during such year (and in certain cases to Limited Partners who held Units at any time in the previous fiscal year) based on the number, class and series held by such Limited Partners, the dates of purchase and/or redemption, the respective Net Asset Values of each class and series of Units, the fees paid or payable in respect of each class and series of Units, incentive distributions, if any, paid to the Special LP Unit Holder in respect of each class and series of Units, the tax basis of such Units, and the date of realization of each such item of income, gain or loss, as the case may be.

The General Partner may adopt and amend an allocation policy from time to time intended to fairly and equitably allocate income or loss given the particular circumstances. See Section 4.7 – Allocations in the Limited Partnership Agreement.

Distributions

The Special LP Unit Holder will receive incentive distributions from the Partnership based on the increase in the Net Asset Value of each Unit on the last Valuation Date in each year and upon the redemption of such Unit, as more fully described above under "Profit Allocation". Such distributions will be deducted from the Net Asset Value of such Unit (or, in the case of a redemption, from the redemption proceeds). The Special LP Unit Holder will not be required to repay any such distributions if distributions received on a redemption of Units in a fiscal year exceed the Partnership's net profits in that year.

On the last Valuation Date of each fiscal year (including, for greater certainty, upon termination of the Partnership), $100 shall be distributed to the General Partner.

Net profit of the Partnership allocated to the Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the sole discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to persons who are not the General Partner or a Limited Partner. See Section 4.8 – Distributions in the Limited Partnership Agreement.

Redemptions

Redemption rights are described above under the heading "Redemptions". Also, see Article 5 - Redemption in the Limited Partnership Agreement.

Authority and Duties of the General Partner

The General Partner has the full power and authority to do such acts and things and to execute and deliver such documents as it considers necessary or desirable in connection with the offering and sale of the Units and for carrying on the business of the Partnership for the purposes summarized herein and described more fully in the Limited Partnership Agreement.

The General Partner shall exercise the powers and discharge its duties honestly, in good faith, and with a view to the best interests of the Partnership and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. See Article 6 - Management of Limited Partnership in the Limited Partnership Agreement.

Expenses

The Partnership is responsible for all costs incurred by it in connection with the organization and ongoing activities of the Partnership, including but not limited to:

(a) third party fees and expenses, which include Investment Manager's fees, accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communication expenses, organizational expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and

(b) fees and expenses relating to the Partnership's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees.

To the extent that such expenses are borne by the General Partner or Investment Manager, the General Partner or Investment Manager, as the case may be, shall be reimbursed by the Partnership from time to time. Expenses attributable to a particular class or series of Units will be deducted from the Net Asset Value of such class or series. See Section 6.2 – Expenses in the Limited Partnership Agreement.

Management Fee

The Limited Partnership Agreement provides that the Partnership shall pay to the Investment Manager an ongoing management fee calculated and payable as a percentage of the Net Asset Value of the Partnership, or of any class of Units, as the General Partner may determine (and as the Investment Manager may agree). (Such fees are described above under "Investment Management Agreement".) The Investment Manager must give to the Limited Partners not less than 60 days' notice of any proposed change to the method of calculation of such fee, if, as a result of such change, such fee will be paid more frequently or could result in increased fees being paid by the Partnership.

Liability

Subject to the provisions of the LP Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees in writing to contribute to the Partnership, less any such amounts properly returned to the Limited Partner. A Limited Partner may lose his, her or its status as a limited partner and the benefit of limited liability if such Limited Partner takes part in the control of the business of the Partnership or if certain other provisions of the LP Act are contravened.

Where a Limited Partner has received the return of all or part of the Limited Partner's "Contributed Capital" (as defined in the Limited Partnership Agreement), the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Contributed Capital. Furthermore, if after a distribution the General Partner determines that a Partner was not entitled to all or some of such distribution, the Partner shall be liable to the Partnership to return the portion improperly distributed, together with interest at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers if repayment of such excess amount is not made by the Partner within fifteen (15) days of receiving notice of such overpayment. The Special LP Unit Holder shall not be liable to the Partnership to reimburse the Partnership for any incentive distribution made to the Special LP Unit Holder based on the increase in the Net Asset Value of each Unit, except in respect and only to the extent of a miscalculation. The General Partner may set off and apply any sums otherwise payable to a Partner against such amounts due from such Partner, provided that there shall be no right of set-off against a Partner in respect of amounts owed to the Partnership by a predecessor of such Partner. See Section 4.12 - Repayments and Section 8.2 - Limited Liability of Limited Partners in the Limited Partnership Agreement.

The General Partner shall be liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the LP Act and as set forth in the Limited Partnership Agreement to the extent that Partnership assets are insufficient to pay such liabilities.

The General Partner will indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by such Limited Partner that result from or arise out of such Limited Partner not having unlimited liability as set out in the Limited Partnership Agreement, other than any liability caused by or arising out of any act or omission of such Limited Partner. See Article 8 - Liabilities of Partners in the Limited Partnership Agreement.

Reports to Limited Partners

Within 90 days after the end of each fiscal year, the General Partner will forward to each Limited Partner an annual report for such fiscal year consisting of (i) upon request, audited financial statements for such fiscal year together with a report of the Auditors on such financial statements; (iii) a report on allocations to the Limited Partners' Contributed Capital accounts and taxable income or loss and distributions of cash to the General Partner and the Limited Partners for such fiscal period; and (iii) tax information to enable each Limited Partner to properly complete and file his or her tax returns in Canada in relation to an investment in Units.

The General Partner will forward to each Limited Partner, upon request, unaudited interim financial statements for the first six months of each fiscal year within 60 days after the end of such period. The General Partner will forward to each Limited Partner quarterly unaudited financial information respecting the Net Asset Value per Unit within 30 days after the end of each fiscal quarter. See Article 11 - Books, Records and Financial Information in the Limited Partnership Agreement.

Fiscal Year

The fiscal year of the Partnership shall end on December 31 in each calendar year.

Amendment

The General Partner may, without prior notice or consent from any Limited Partner, amend the Partnership Agreement (i) in order to protect the interests of the Limited Partners, if necessary; (ii) to cure any ambiguity or clerical error or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner; (iii) to reflect any changes to any applicable legislation; or (iv) in any other manner, if such amendment does not and shall not adversely affect the interests of any Limited Partner in any manner. The Partnership Agreement may be amended at any time by (i) the General Partner with the consent of the Limited Partners given by Special Resolution, or (ii) the General Partner without the consent of the Limited Partners provided the Limited Partners are given not less than 60 days' written notice prior to the effective date of the amendment (together with a copy of the amendment and an explanation of the reasons for the amendment), and each Limited Partner is given the opportunity to redeem all of such Limited Partner's Units prior to the effective date of such amendment. See Article 13 - Amendment of Agreement in the Limited Partnership Agreement. The consent of the Special LP Unit Holder is required in respect of any amendment to the Limited Partnership Agreement materially affecting its rights including where it is proposed to amend the Limited Partnership Agreement to vary the interest of the Special LP Unit Holder in any distributions.

Term

The Partnership has no fixed term. Dissolution may only occur (i) at any time on 30 days' written notice by the General Partner to each Limited Partner, or (ii) on the date which is 60 days following the removal of the General Partner unless the Limited Partners agree to appoint a replacement General Partner in accordance with the provisions of the Limited Partnership Agreement. See Article 12 - Termination of the Partnership in the Limited Partnership Agreement.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES

Investors are urged to consult with their tax advisers respecting the purchase, holding and disposition of Units of the Partnership. Investors should be aware of the tax considerations and consequences associated with an investment in a limited partnership generally and in an actively managed investment pool in particular.

RISK FACTORS

Investment in Units involves certain risk factors, including risks associated with the Partnership's investment strategies. The following risks should be carefully evaluated by prospective investors.

Risks Associated with an Investment in the Partnership

Investment Risk

An investment in the Partnership may be deemed to be speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Investors should review closely the investment objective and investment strategies to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership.

Marketability and Transferability of Units

There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed by the Limited Partnership Agreement and applicable securities legislation. See "Transfer or Resale". Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

Reliance on Investment Manager

The success of the Partnership will be primarily dependent upon the efforts of the Investment Manager and its principals. The Investment Manager will make the actual trading decisions upon which the success of the Partnership will depend significantly. No assurance can be given that the trading approaches utilized by the Investment Manager will prove successful. There can be no assurance that satisfactory replacements for the Investment Manager will be available, if the Investment Manager ceases to act as such. Termination of the Investment Manager will expose investors to the risks involved in whatever new investment management arrangements can be made. Investors should be aware that the past performance by those involved in the investment management of the Partnership should not be considered as an indication of future results.

Dependence of Investment Manager on Key Personnel

The Investment Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Partnership's activities. The loss of such individuals for any reason could impair the ability of the Investment Manager to perform its management activities on behalf of the Partnership.

Tax Liability

Net Asset Value of the Partnership and Net Asset Value per Unit will be marked to market and therefore calculated on the basis of both realized trading gains and losses and accrued, unrealized gains

and losses. In computing each Limited Partner's share of income or loss for tax purposes, only realized gains and other factors, including the date of purchase or redemption of Units by a Limited Partner in a fiscal year, will be taken into account. Therefore, the change in Net Asset Value of a Limited Partner's Units may differ from its share of income and loss for tax purposes.

Furthermore, investors may be allocated income for tax purposes and not receive any cash distributions from the Partnership.

Possible Loss of Limited Liability

Under the LP Act, the General Partner has unlimited liability for the debts, liabilities, obligations and losses of the Partnership to the extent that they exceed the assets of the Partnership. The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership is limited to the value of money or other property the Limited Partner has contributed or agreed to contribute to the Partnership. In accordance with the LP Act, if a Limited Partner has received a return of all or part of the Limited Partner's contribution to the Partnership, the Limited Partner is nevertheless liable to the Partnership, or where the Partnership is dissolved, to its creditors, for any amounts not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims arose before the return of the contribution. **The limitation of liability of a Limited Partner may be lost if a Limited Partner takes part in the control of the business of the Partnership.**

Funding Deficiencies

Other than with respect to the possible loss of the limited liability as outlined above, no Limited Partner shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by the Partnership, the Partnership's capital is reduced and the Partnership is unable to pay its debts as they become due, the Limited Partners may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership. If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Partnership.

Using Borrowed Funds to Invest

The use of leverage may not be suitable for all investors. Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If an investor borrows money to purchase securities, the investor's responsibility to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the securities purchased declines.

Income

An investment in the Partnership is not suitable for an investor seeking an income from such investment, as the Partnership may not, or may be unable to, distribute income earned by it.

Not a Public Mutual Fund

The Partnership is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Partnership's portfolio.

Custody Risk

The Partnership does not control the custodianship of all of its securities. The banks or brokerage firms selected to act as custodians may become insolvent, causing the Partnership to lose all or a portion

of the funds or securities held by those custodians. Consequently, the Partnership and therefore, the Limited Partners, may suffer losses.

Broker or Dealer Insolvency

The Partnership's assets may be held in one or more accounts maintained for the Partnership by its prime brokers or at other brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Partnership's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Partnership and its assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in the loss of all or a substantial portion of the Partnership's assets held by or through such prime broker and/or the delay in the payment of withdrawal proceeds.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Partnership, employees of the Investment Manager may make "trading errors" — i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment asset (and vice versa). Trading errors are an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are, therefore, distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by employees of the Investment Manager. Consequently, the Investment Manager will (unless the Investment Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Partnership, unless they are the result of conduct by the Investment Manager which is inconsistent with the Investment Manager's standard of care.

Changes in Investment Strategy

The Investment Manager may alter its strategy without prior approval by the Limited Partners if the General Partner and the Investment Manager determine that such change is in the best interest of the Partnership.

Valuation of the Partnership's Investments

While the Partnership is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Partnership's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Partnership could be adversely affected. Independent pricing information may not at times be available regarding certain of the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Limited Partnership Agreement.

Although the Partnership generally will invest in exchange-traded and liquid over-the-counter securities, the Partnership may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Partnership to any such investment differs from the actual value, the Net Asset Value per Unit may be

understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of its Units while the Partnership holds such investments will be paid an amount less than such Limited Partner would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the General Partner in respect of a redemption. In addition, there is risk that an investment in the Partnership by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the actual value of such investments is higher than the value designated by the General Partner. Further, there is risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the General Partner. The Partnership does not intend to adjust the Net Asset Value of the Partnership retroactively.

Potential Indemnification Obligations

Under certain circumstances, the Partnership might be subject to significant indemnification obligations in favour of the General Partner, the Investment Manager, other service providers to the Partnership or certain persons related to them. The Partnership will not carry any insurance to cover such potential obligations and, to the General Partner's knowledge, none of the foregoing parties will be insured for losses for which the Partnership has agreed to indemnify them. Any indemnification paid by the Partnership would reduce the Partnership's Net Asset Value.

Possible Effect of Redemptions

Substantial redemptions of Units could require the Partnership to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Possible Effect of Special LP Unit Holder Distributions

The Special LP Unit Holder will receive incentive distributions based on net realized and unrealized income and gains in a year, which distributions might theoretically exceed taxable income and taxable capital gains in such year. The Partnership will not be entitled to claim such difference as an expense nor will the Special LP Unit Holder have an obligation to the Partnership to repay any such distribution, having an adverse effect on the Net Asset Value of the Units.

Charges to the Partnership

The Partnership is obligated to pay administration fees, brokerage commissions and legal, accounting, filing and other expenses together with applicable GST/HST thereon regardless of whether the Partnership realizes profits. Amendments to the GST/HST rules may increase the GST/HST that was or will be payable by the Partnership. In addition, the Partnership may make a distribution to the Special LP Unit Holder in respect of a mid-year redemption in a fiscal year in which there is a net loss for such year.

Lack of Independent Experts Representing Limited Partners

Each of the Partnership, the General Partner and the Investment Manager has consulted with legal counsel regarding the formation and terms of the Partnership and the offering of Units. The Limited Partners have not, however, been independently represented. Therefore, to the extent that the Partnership, the Limited Partners or this offering could benefit by further independent review, such benefit will not be

available. Each prospective investor should consult his or her own legal, tax and financial advisers regarding the desirability of purchasing Units and the suitability of investing in the Partnership.

No Involvement of Unaffiliated Selling Agent

The General Partner and Investment Manager are under common control and ownership. Consequently, no outside selling agent unaffiliated with such parties has made any review or investigation of the terms of this offering, the structure of the Partnership or the background of the General Partner and Investment Manager.

Possible Negative Impact of Regulation of Hedge Funds

The regulatory environment for hedge funds is evolving and changes to it may adversely affect the Partnership. To the extent that regulators adopt practices of regulatory oversight in the area of hedge funds that create additional compliance, transaction, disclosure or other costs for hedge funds, returns of the Partnership may be negatively affected. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action that may adversely affect the value of the investments held by the Partnership. The effect of any future regulatory or tax change on the portfolio of the Partnership is impossible to predict.

North American Economic Risk

A decrease in imports or exports, changes in trade regulations or an economic recession in any North American country may have a significant economic effect on the entire North American region and on some or all of the North American countries in which the Partnership invests.

Data Security and Privacy Breaches

The cybersecurity risks faced by the Investment Manager, the General Partner, the Partnership, service providers and Limited Partners have increased in recent years due to the proliferation of cyber-attacks that target computers, information systems, software, data and networks. Cyber-attacks include, among other things, unauthorized attempts to access, disable, modify or degrade information systems and networks, the introduction of computer viruses and other malicious codes such as "ransomware", and fraudulent "phishing" emails that seek to misappropriate data and information or install malware on users' computers. The potential effects of cyber-attacks include the theft or loss of data, unauthorized access to, and disclosure of, confidential personal and business-related information, service disruption, remediation costs, increased cyber-security costs, lost revenue, litigation and reputational harm which can materially affect the Partnership. The Investment Manager continuously monitors security threats to its information systems and implements measures to manage these threats, however the risk to the Investment Manager and the Partnership and therefore Limited Partners cannot be fully mitigated due to the evolving nature of these threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats.

Risks Associated with the Partnership's Underlying Investments

General Economic and Market Conditions

The success of the Partnership's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Partnership's investments. Unexpected volatility or illiquidity could impair the Partnership's profitability or result in losses.

Concentration

The Partnership intends to concentrate its investments in a relatively limited number of investments and thus the Partnership's returns could be adversely affected by the performance of one or two investments.

Small to Medium Capitalization Companies

The Partnership may invest a portion of its assets in the stocks of companies with small-to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Shorting

Selling a security short ("**shorting**") involves borrowing a security from an existing holder and selling the security in the market with a promise to return it at a later date. Should the security increase in value during the shorting period, losses will incur to the Partnership. There is in theory no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In cases like this, the Partnership must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Partnership may have to bid up the price of the security in order to cover the short, resulting in losses to the Partnership.

Trading Costs

The Partnership may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Partnership.

Currency and Exchange Rate Risks

The Partnership's cash assets may be held in currencies other than the Canadian dollar, and gains and losses in securities transactions may be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Partnership may be denominated in non-Canadian currencies. The Partnership nevertheless will compute and distribute its income in Canadian dollars. Thus changes in currency exchange rates may affect the value of the Partnership's portfolio and the unrealized appreciation or depreciation of investments. Further, the Partnership may incur costs in connection with conversions between various currencies.

General Credit, Liquidity and Leverage Risks

Systemic Risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Partnership interacts on a daily basis.

Collateral

The Partnership will have moderate credit and operational risk exposure to its counterparties, which will require the Partnership to post collateral to support its obligations. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral posted by the Partnership in connection with such transactions. This could increase the Partnership's exposure to the risk of a counterparty default since, under such circumstances, such collateral of the Partnership could be lost or the Partnership may be unable to recover such collateral promptly. Also, counterparties have an interest in maximizing the return from such collateral. This interest could conflict with the interests of the Partnership in preserving and protecting its portfolio.

Lending of Portfolio Securities; Broker-Dealer/Counterparty Insolvency

The Partnership may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Partnership will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delays in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

Liquidity Risks Generally

Liquidity is important to the Partnership's businesses. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Partnership's portfolio positions may be reduced. In addition, the Partnership may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Partnership's liquidity. During such times, the Partnership may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Partnership to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Partnership may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Partnership incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Partnership's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Partnership's exposure to their credit risk.

Leverage Risks

The Partnership uses leverage in an effort to realize greater profits from its security selection. The use of leverage will, in many instances, enable the Partnership to achieve a higher rate of return than would be otherwise possible. The instruments and borrowings utilized by the Partnership to leverage investments may be collateralized by the Partnership's portfolio. Accordingly, the Partnership may pledge its financial instruments in order to borrow additional funds or otherwise obtain leverage for investment or other purposes. The amount of borrowings which the Partnership may have outstanding at any time may be substantial in relation to its capital.

The use of leverage will allow the Partnership to borrow in order to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital and any capital commitments. The use of leverage will magnify the volatility of changes in the value of the investments of the Partnership. Accordingly, any event which adversely affects the value of an

investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Partnership in a market that moves adversely to its investments could result in substantial losses to the Partnership, which would be greater than if the Partnership were not leveraged.

While leverage increases the buying power of the Partnership and presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. For example, funds borrowed for leveraging will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Partnership's portfolio. Leverage will increase the investment return of the Partnership if an investment purchased with or utilizing leverage earns a greater return than the cost to the Partnership of such leverage. The use of leverage will decrease the investment return if the Partnership fails to recover the cost of such leverage.

The Partnership may also invest in financial instruments, such as exchange traded funds, which themselves employ leverage, and may thereby indirectly assume the risks of employing leverage.

Market Value Borrowings and Derivatives

In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio which require the Partnership to post margin results in certain additional risks to the Partnership. For example, should the financial instruments pledged to brokers to secure the Partnership's margin accounts decline in value, the Partnership could be subject to a "margin call", pursuant to which the Partnership must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. In the event of a sudden drop in the value of the Partnership's portfolio, the Partnership might not be able to liquidate financial instruments quickly enough to satisfy its margin requirements.

Uncertain Exit Strategies

Due to the illiquid nature of some of the positions which the Partnership may acquire, the Investment Manager will be unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units. Potential investors should read this entire Offering Memorandum and consult with their legal, tax and financial advisers, before making a decision to invest in the Units.

CONFLICTS OF INTEREST

Securities regulation in Ontario requires that potential conflicts of interest be fully disclosed in this offering memorandum. Such potential conflicts are perceived to arise whenever a registrant such as the Investment Manager participates in the distribution of securities of a related or connected issuer.

In this case, because the Investment Manager is an affiliate of the General Partner and the Special LP Unit Holder and because the Investment Manager earns fees from the ongoing management of the Partnership's investment portfolio, the Partnership is considered both a related issuer and a connected issuer of the Investment Manager. Details of this relationship and the fees earned by the Investment Manager are fully disclosed elsewhere in this offering memorandum.

CONFLICTS OF INTEREST POLICY

Statement of Policies Concerning Conflicts of Interest with Related Issuers and Connected Issuers

The Investment Manager may engage in activities as a portfolio manager, investment fund manager and exempt market dealer in respect of securities of related or connected issuers but will do so only in compliance with applicable securities legislation.

The securities laws of the Province of Ontario require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The Investment Manager is registered as a portfolio manager, exempt market dealer and investment fund manager in Ontario, as an exempt market dealer in Alberta, British Columbia and Saskatchewan and as an exempt market dealer and investment fund manager in Québec and may become registered as an exempt market dealer and/or investment fund manager in such other provinces as required under applicable securities laws. As a result, potential conflicts of interest could arise in connection with the Investment Manager acting in such capacities. As an exempt market dealer, the Investment Manager intends only to sell interests in related and/or connected limited partnerships and other pooled funds organized by the Investment Manager and will not be remunerated by such partnerships or other pooled funds for acting in that capacity. Accordingly, there is no opportunity for a potential conflict to arise as there would be if, for example, the Investment Manager also sold or sought investors for, securities of unrelated issuers. The Investment Manager's relationship with such partnerships and other pooled funds will be fully disclosed to all potential investors.

The Partnership is a related and connected issuer of the Investment Manager. The Special LP Unit Holder is an affiliate of the General Partner. The General Partner and the Special LP Unit Holder are each an affiliate of the Investment Manager, which is a subsidiary of Donville Kent Financial Corp., a corporation controlled by the officers and directors of the Investment Manager, of the Special LP Unit Holder and of the General Partner. The Special LP Unit Holder is a wholly owned subsidiary of the General Partner. The Investment Manager receives fees from the Partnership, the Special LP Unit Holder shares in the profits of the Partnership and the General Partner receives a distribution from the Partnership. See "Investment Management Agreement" and "Profit Allocation" above.

Fairness Policy

As portfolio manager, the Investment Manager and its employees shall conduct themselves with integrity and honesty and act in an ethical manner in all of their dealings with its clients, including the Partnership.

The Investment Manager shall not knowingly participate or assist in the violation of any statute or regulation governing securities and investment matters.

The responsible persons shall exercise reasonable supervision over subordinate employees subject to their control to prevent any violation by such persons of applicable statutes or regulations.

The Investment Manager shall exercise diligence and thoroughness on taking an investment action on a client's behalf and shall have a reasonable and adequate basis for such actions, supported by appropriate research and investigations.

Before initiating an investment transaction for the Partnership, the Investment Manager will consider its appropriateness and suitability.

The Investment Manager shall ensure that the Partnership's account is supervised separately and distinctly from all other clients' accounts.

It may be determined that the purchase or sale of a particular security is appropriate for more than one client account, i.e. that particular client orders should be aggregated or "bunched", such that in placing orders for the purchase or sale of securities, the Investment Manager may pool the Partnership's order with that of another client or clients. Simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Therefore, where appropriate, when bunching orders, and allocating block purchases and block sales, it is the Investment Manager's policy to treat all clients fairly and to achieve an equitable distribution of bunched orders. All new issues of securities and block trades of securities will be purchased for, or allocated amongst, all applicable accounts of the Investment Manager's clients in a manner it considers to be fair and equitable.

In the course of managing a number of discretionary accounts, there may arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every client, or the quantity of a security to be sold is too large to be completed at the same price. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all clients. Under such conditions, as a general policy, and to the extent that no client will receive preferential treatment, the Investment Manager will ensure:

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately and equally on the amount of equity of each client's account;

- where a block trade is filled at varying prices for a group of clients, fills are allocated on an average price basis;

- in the case of hot issues and IPOs, participation is split equally between clients based proportionately on the equity in each account;

- in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a *pro rata* basis. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients; and

- trading commissions for block trades are allocated on a *pro rata* basis, in accordance with the foregoing trade allocation policies.

Whichever method is chosen, it must be followed in the future where similar conditions exist. Where it is impossible to achieve uniform treatment, every effort shall be made by the Investment Manager and its employees to compensate at the next opportunity in order that every client, large or small, over time, receives equitable treatment in the filling of orders.

In allocating bunched orders, the Investment Manager uses several criteria to determine the order in which participating client accounts will receive an allocation thereof. Criteria for allocating bunched orders include the current concentration of holdings of the industry in question in the account, and, with respect to fixed income accounts, the mix of corporate and/or government securities in an account and the duration of such securities.

Some of the Investment Manager's clients have selected a dealer to act as custodian for the clients' assets and direct the Investment Manager to execute transactions through that dealer. It is not the Investment Manager's practice to negotiate commission rates with such dealers. For clients who grant the Investment Manager brokerage discretion, the Investment Manager will block orders and all client transactions will be done at the same standard institutional per share commission rate.

The Investment Manager may purchase or sell securities from or to other managed accounts provided that the transaction is effected through an independent broker at the current market price of the security or at the mid-point of the current market bid/ask price, unless a deviation is permitted in writing by the Chief Investment Officer.

Transactions for clients shall have priority over personal transactions so that personal transactions do not act adversely to the Partnership's interest.

The Investment Manager will at all times preserve confidentiality of information communicated by a client concerning matters within the scope of a confidential relationship.

Personal Trading

The Investment Manager has adopted a policy to limit, monitor and, in certain instances, restrict personal trading by the employees of the Investment Manager in order to ensure that there is no conflict between such personal trading and the interests of the Partnership and the Investment Manager's other clients.

Referral Arrangements

The Investment Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Investment Manager or to one of the funds it manages. No such payment will be made unless all applicable securities laws are complied with.

Independent Dispute Resolution and Mediation Services

Unless a Limited Partner is a "permitted client" within the meaning of National Instrument 31-103 – *Registrant Registration, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**") that is not an individual, a Limited Partner who purchases Units directly from the Investment Manager (in its capacity as an exempt market dealer) may avail itself of independent dispute resolution and mediation services at the Investment Manager's expense, to mediate any dispute for eligible complaints within the meaning of NI 31-103 that may arise between the Unitholder and the Investment Manager about the services provided by the Investment Manager. Additional information is contained in the Subscription Agreement provided to such investors.

Brokerage Arrangements

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by the Investment Manager. In effecting portfolio

transactions, the Investment Manager will seek to obtain best execution of orders as required by applicable securities regulations.

To the extent that the terms offered by more than one dealer are considered by the Investment Manager to be comparable, the Investment Manager may, in its discretion, choose to purchase and sell portfolio securities from and to or through dealers who provide research, statistical and other services to the Investment Manager in respect of their management of the Partnership. The Investment Manager will only enter into such arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients, however not all brokerage arrangements will benefit all clients at all times.

The Investment Manager does not have any agreements or arrangements in place with any dealer for portfolio transactions regarding the Partnership. However, the Investment Manager is provided with research, from time to time, from the dealers with whom it places trades for the Partnership, as well as for its other clients. The Investment Manager does not take into account the research it receives in determining dealers through whom it will place portfolio transactions for the Partnership. Names of the dealer(s) that provided the Investment Manager with such research services in connection with the portfolio transactions for the Partnership during the last financial year of the Partnership will be provided on request by contacting the Investment Manager.

Statement of Related Registrants

Ontario securities legislation also requires securities dealers and advisers to inform their clients if the dealer or adviser has a principal shareholder, director or officer that is a principal shareholder, director or officer of another dealer or adviser and of the policies and procedures adopted by the dealer or adviser to minimize the potential for conflicts of interest that may result from this relationship.

At this time, the Investment Manager has no related registrants.

ANTI-TERRORISM AND ANTI-MONEY LAUNDERING LEGISLATION

The Investment Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities ("**Anti-Money Laundering Laws**"). In furtherance of those efforts, an investor for Units will be required to provide certain information and documentation and make a number of representations to the Investment Manager regarding the source of subscription monies and other matters. The Subscription Agreement between the investor and the Manager contain detailed guidance on whether identification verification materials will need to be provided with the Subscription Agreement and, if so, a list of the documents and information required.

A Limited Partner will be required to promptly notify the Investment Manager if, to the knowledge of the Limited Partner, any of its representations with respect to Anti-Money Laundering Laws cease to be true and accurate. A Limited Partner must agree to provide to the Investment Manager, promptly upon receipt of the Investment Manager's written request therefor, any additional information regarding the Limited Partner or their authorized signatory(ies) and/or beneficial owner(s) that the Investment Manager deems necessary or advisable to ensure compliance with all Anti-Money Laundering Laws. If at any time it is discovered that a Limited Partner's representations with respect to Anti-Money Laundering Laws are incorrect, or if otherwise required by Anti-Money Laundering Laws, the Investment Manager may undertake appropriate actions to ensure that the Investment Manager is in compliance with all such Anti-Money Laundering Laws. The Investment Manager may release confidential information about a Limited Partner and, if applicable, any underlying beneficial owner(s), to governmental authorities, as required by Anti-Money Laundering Laws.

FINANCIAL REPORTING

The Partnership is not a reporting issuer for the purpose of applicable securities legislation. See "Reports to Limited Partners."

A trade confirmation and regular financial disclosure will be provided to each Limited Partner by the Limited Partner's dealer. For example, if the Investment Manager is the dealer through whom Units are purchased, the Investment Manager must provide a trade confirmation after Units are purchased or sold and an account statement at least quarterly (monthly, if requested or if a transaction occurred during the month) showing, for each transaction made for the Limited Partner during the period: (i) the date of the transaction; (ii) whether the transaction was a purchase, sale or transfer; (iii) the number of Units purchased or sold; (iv) the price per Unit paid or received by the Limited Partner; and (v) the total value of the transaction. The statement must also show, as at the end of the period: (i) the number of Units held, (ii) the price per Unit and (iii) the total value of the Units held.

STATUTORY RIGHTS OF ACTION AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides that a purchaser has or must be granted rights of rescission or damages, or both, where the Offering Memorandum and any amendment hereto contains a Misrepresentation. However, such rights and remedies, or notice with respect thereto, must be exercised by the purchaser within the time limits prescribed by the applicable securities legislation.

The summaries setting out the rights of action for damages or rescission in certain provinces and territories of Canada, which are subject to the securities legislation in such provinces and territories, are set forth in Schedule A, which is incorporated in and forms part of the Offering Memorandum.

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

SCHEDULE A

Unless otherwise defined, all capitalized terms used herein shall have the same meaning assigned to them in the Offering Memorandum.

As used herein, "**Misrepresentation**" has the meaning assigned under each of the provinces and territories' respective securities act, but generally 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 any statement in the Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A "**material fact**" means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Units.

The following summaries are subject to the express provisions of the securities legislation in each of the provinces and territories, 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. 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 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 Partnership, every person performing a function or occupying a position with respect to the Partnership 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 Partnership (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 Partnership 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 Partnership 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 Partnership, no person or company is liable if the person or company proves:

  (i) that the 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 Partnership that it was sent without the person's or company's knowledge and consent;

(d) other than with respect to the Partnership, 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 the Offering Memorandum and gave reasonable notice to the Partnership 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 Partnership, no person or company is liable with respect to any part of the 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

(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) 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) 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) 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, the Offering Memorandum, the Misrepresentation is deemed to be contained in the 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 Partnership 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 Partnership 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 Partnership unless the Misrepresentation:

(i) was based on information that was previously publicly disclosed by the Partnership;

(ii) was a Misrepresentation at the time of its previous public disclosure; and

(iii) was not subsequently publicly corrected or superseded by the Partnership 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.

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 Partnership, the selling security holder on whose behalf the distribution is made, every person performing a function or occupying a position with respect to the Partnership 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 Partnership 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 Partnership 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 's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Partnership 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 Partnership 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 Partnership 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 Partnership and every person performing a function or occupying a position with respect to the Partnership 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 Partnership does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Partnership, unless the Misrepresentation

(i) was based on information previously publicly disclosed by the Partnership;

(ii) was a Misrepresentation at the time of its previous public disclosure; and

(iii) was not subsequently publicly corrected or superseded by the Partnership 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) this 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 the *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 Partnership, against every person acting in a capacity with respect to the Partnership which is similar to that of a director of a company, and every person or company that signed this Offering Memorandum or alternatively, may elect to exercise a right of rescission against the Partnership (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 Partnership is liable if the person proves that:

(i) the 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 the 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 this 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 this 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 the Offering Memorandum or amendment to this 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 Partnership, the selling security holder on whose behalf the distribution is made, against every person acting in a capacity with respect to the Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership, and every person performing a function or occupying a position with respect to the Partnership 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 Partnership does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Partnership, unless the Misrepresentation:

(i) was based on information previously publicly disclosed by the Partnership;

(ii) was a Misrepresentation at the time of its previous public disclosure; and

(iii) was not subsequently publicly corrected or superseded by the Partnership 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 Partnership 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) a Partnership 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 Partnership, unless the Misrepresentation,

(i) was based on information that was previously publicly disclosed by the Partnership;

(ii) was a Misrepresentation at the time of its previous public disclosure; and

(iii) was not subsequently publicly corrected or superseded by the Partnership 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 Partnership, the selling securityholder on whose behalf the distribution is made, against every person acting in a capacity with respect to the Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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) a Partnership, and every person performing a function or occupying a position with respect to the Partnership 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 Partnership does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Partnership, unless the Misrepresentation

(i) was based on information that was previously publicly disclosed by the Partnership;

(ii) was a Misrepresentation at the time of its previous public disclosure; and

(iii) was not subsequently publicly corrected or superseded by the Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership, the selling securityholder on whose behalf the distribution is made, every person performing a function or occupying a position with respect to the Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership, and every person performing a function or occupying a position with respect to the Partnership 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 Partnership does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Partnership, unless the Misrepresentation

(i) was based on information that was previously publicly disclosed by the Partnership;

(ii) was a Misrepresentation at the time of its previous public disclosure; and

(iii) was not subsequently publicly corrected or superseded by the Partnership 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.

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