

**Amended and Restated
Confidential Offering Memorandum
February 29, 2008**

This Amended and Restated Confidential Offering Memorandum (the "Offering Memorandum") constitutes an offering of these securities only in those jurisdictions in Canada and to those persons where and to whom they may be lawfully offered for sale and only by persons permitted to offer these securities. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of these securities. No securities commission or similar authority in Canada has reviewed this Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any reference or representation to the contrary is an offense. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by any securities commission or similar regulatory authority. No person is authorized to give any information or to make any representation not contained in this Offering Memorandum in connection with the offering of these securities and, if given or made, any such information or representation may not be relied upon.

Private Placement - Continuous Offering

STACEY MUIRHEAD LIMITED PARTNERSHIP

Stacey Muirhead Investment Limited Partnership (the "Partnership") is a limited partnership formed under the *Limited Partnership Act* (Ontario). The Partnership was formed to allow investors to participate in a portfolio that is professionally managed according to the investment philosophy of Stacey Muirhead Capital Management Ltd., the investment manager and general partner (the "General Partner") of the Partnership.

The Units are being offered for sale to investors in all the Provinces of Canada (except Newfoundland and Labrador), the Northwest Territories and Nunavut and, subject to regulatory approval, the Yukon Territory (the "Offering Jurisdictions") on a private placement basis in reliance on exemptions from the prospectus and registration requirements contained in the securities legislation of the Offering Jurisdictions and will be subject to resale restrictions in the manner provided by such securities laws. See "Investing in Units of the Partnership - The Offering."

The minimum investment in the Partnership is \$150,000 or such other amount as established from time to time by the General Partner. See "Investing in Units of the Partnership." Purchasers of Units will be obliged to establish their qualifications to invest in accordance with the requirements of the securities laws of the Offering Jurisdictions and will have the benefit of certain contractual rights of action. See "Statutory and Contractual Rights of Action".

Units are being offered on a continuous basis at a price equal to the net asset value per Unit as determined on the Valuation Day following receipt of a subscription for Units. Subscriptions will be received subject to rejection or allotment in whole or in part by the General Partner and the General Partner reserves the right to close the subscription books at any time without notice. Upon a Limited Partner providing written notice to the General Partner, Units may be redeemed at the Net Asset Value per Unit as determined on the Valuation Day following receipt of properly completed redemption documents. See "Redemption of Units". A Valuation Day is the final business day in each month.

Any monetary references in this offering memorandum are to Canadian dollars unless otherwise stated.

Units may not be directly or indirectly offered or sold in the United States or to, or for the benefit of, a United States person. For this purpose, a United States person means a national or resident of the United States (including a corporation, partnership or other entity organized in, or under the laws of, the United States) or an estate or trust which is subject to United States federal income taxation regardless of its source of income.

An investment in the Partnership is subject to certain risks. See "Risk Factors".

This Offering Memorandum is confidential. By their acceptance hereof prospective investors agree that they will not transmit, reproduce or make available to anyone this Offering Memorandum or any information contained herein.

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SUMMARY OF THE OFFERING

Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Partnership. The following information is a summary of the principal features of the offering and is qualified by the more detailed information appearing elsewhere in this Confidential Amended and Restated Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Confidential Amended and Restated Offering Memorandum.

- The Partnership** Stacey Muirhead Limited Partnership (the “Partnership”) was formed as a limited partnership under the laws of the Province of Ontario on December 20, 1993 to allow investors to participate in a professionally managed portfolio according to the investment philosophy and approach employed by the Partnership’s investment manager.
- The Offering** Units in the Partnership are being offered for sale pursuant to this Amended and Restated Confidential Offering Memorandum (the “Offering Memorandum”) on a “private placement” basis in reliance upon exemptions from the registration and prospectus requirements of applicable securities legislation. The Units are being offered at a price equal to the Net Asset Value per Unit as determined on the Valuation Day following receipt of a subscription. There are no commissions, fees or charges payable to the Partnership or the General Partner upon the Purchase of Units. See “Investing in Units of the Partnership”.
- Minimum Initial Investment** The minimum initial investment in the Partnership is \$150,000 or such other amount as established from time to time by the General Partner.
- Additional Investments** Additional investments in the Partnership by Limited Partners are generally permitted in amounts less than the minimum initial investment threshold provided that the Limited Partner’s Units were acquired for or, at the time of the additional investment, have a net asset value equal to, the minimum initial investment amount.
- Investment Management** The General Partner, has provided all investment management services to the Partnership since it commenced operations in 1994. The investment philosophy of the General Partner is based on a long term fundamental value approach to investing. The essence of this investment philosophy is to purchase securities at market prices significantly below their intrinsic business value as determined by the General Partner while minimizing the risk of permanent impairment of capital. Jeffrey D. Stacey and William R. Muirhead are the officers and shareholders of the General Partner. See “Management of the Partnership”.
- Management Fee** The management fee for the Partnership (the “Management Fee”) is a maximum of 1.0% per annum of the net asset value of the Partnership, calculated and payable monthly by the Partnership. See “Management Fee”.

Performance Fee

If the total of the Monthly Net Asset Value Increases in a calendar year exceeds the Average Risk Free Rate of Return for that year (determined on an annualized basis for Units not held for the full calendar year) the General Partner will be entitled to receive from each Limited Partner as a performance incentive fee an amount equal to 25% of the difference between the total of the Monthly Net Asset Value Increases in that year and the Risk Free Rate of Return for that year.

To the extent that in any one year the total of the Monthly Net Asset Value Increases is less than the Risk Free Rate of Return, an amount equal to the amount by which the Risk Free Rate of Return exceeds the total of the Monthly Net Asset Value Increases in that year shall be carried forward to future years. No performance incentive fee shall be paid until the Cumulative Net Asset Value Increase of the Partnership from December 31st of the most recent year in which a performance incentive fee was paid exceeds the Cumulative Risk Free Rate of Return during the same period. See "Performance Fee".

Expenses

The General Partner will pay for all of the expenses associated with the administration and management of the Partnership with the exception of direct expenses of the Partnership such as bank charges, interest charges on borrowings, brokerage fees or commissions, and certain legal and audit expenses. The General Partner is responsible for paying all the costs of this offering.

Investment Objective

The principal investment objective of the Partnership is to maximize the average annual after-tax return on contributed capital for Limited Partners while minimizing the risk of permanent impairment of capital. Specifically, the objective of the General Partnership is to outperform the S&P/TSX Total Return Index and the S&P 500 Total Return Index over the long term. See "Investment Objective".

Investment Activities

While investments may be made in any type of financial instrument, the primary investment activities of the Partnership are:

- the purchase of securities at prices significantly less than their intrinsic value to be held as long term investment positions; and
- participation in arbitrage and workout situations; and
- holding fixed income instruments when the Partnership has excess capital.

See "Investment Activities".

Investment Restrictions

Without the approval of the Limited Partners expressed by an Extraordinary Resolution, the Partnership will not:

- (a) other than as specifically set out in the Partnership Agreement and discussed below, invest more than one third of the total capital of the Partnership at any one time into any class or series of a class of securities of any issuer (other than treasury bills and other debt instruments guaranteed by a sovereign nation, state or province) based on cost at the time of the investment; or
- (b) cause the Partnership to incur Liabilities in an amount greater than 50% of the Net Worth of the Partnership.

See "Investment Restrictions".

Limited Liability

The General Partner is responsible for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the Limited Partnership Act (Ontario) (the "LPA"). Subject to the provisions of the Tax Act, the liability of each Limited Partner for the debts, obligations and liabilities of the Partnership is limited to the amount of his contribution to its capital.

See "Limited Liability."

Units

The capital of the Partnership is divided into Units each of which represents an undivided equity interest in the Partnership and entitles the holder thereof to the rights and benefits specified in the Limited Partnership Agreement without distinction, preference or priority. All Units have equal voting, distribution and other rights. Unit Certificates evidencing ownership of Units shall be issued upon request to Limited Partners by the Partnership. The rights of the Limited Partners are contained in the Limited Partnership Agreement which may be modified, amended or named only in accordance with the provisions contained in the Limited Partnership Agreement. Limited Partners are entitled to redeem their Units, subject to the General Partner's right to suspend the right of redemption. See "Redemption of Units".

Fractional Units

Fractional Units may be issued and carry the rights and privileges of, and are subject to the restrictions and conditions applicable to, whole Units in the proportion which they bear to one Unit. However, a fractional Unit does not confer the right to notice of, or to attend or to vote at meetings of Limited Partners, except to the extent that they may represent in the aggregate one or more whole Units.

Redemption of Units

Limited Partners have the right, upon prior written notice, to redeem any or all of their Units at the Net Asset Value per Unit as determined on the Valuation Day after the notice is received (after accounting for the accrual of any incentive fee payable in respect of the Units being redeemed). This right to redeem (the "Redemption Right") may be suspended wholly or partially for a period of up to six months if the General Partner receives notice of the intention of Limited Partners to redeem at the end of any one month amounts in the aggregate equal to 25% or more of the total Units of the Partnership. If the cost of a Limited Partner's remaining Units following a redemption and the net asset value of Units held at that time is less than \$150,000 or such other amount as determined by the General Partner from time to time, the General Partner will have the right to require such Limited Partner to redeem his remaining Units. There will be no fees or charges payable upon the redemption of Units. See "Redemption of Units".

Transfer of Units

Limited Partners may not sell, transfer (other than transfers by operation of law, such as death), assign, pledge, mortgage, hypothecate, grant a security interest in or otherwise encumber Units held by them. Accordingly, the Redemption Right will be the only means of liquidating an investment in the Partnership. See "Transfer of Units".

Distributions

The Partnership does not contemplate that any distributions will be made to Limited Partners other than upon the redemption of Units or upon the dissolution of the Partnership. The General Partner reserves the right to determine whether any distributions will be made to Limited Partners.

Unitholder Reports

Limited Partners can access monthly updates on the internet, and receive quarterly unaudited reports and annual audited reports detailing, among other things, the overall net asset value changes of the Partnership for the period and the redemption prices per Unit as at the end of each of the periods. See "Reports to Limited Partners".

Income Tax Considerations

Consistent with its strategy of long-term value investing, the General Partner plans to report gains or losses on the disposition of investments (other than gains or losses arising as a result of the realization of a short position or arising out of an arbitrage transaction), as capital gains or losses. Consequently, capital gains or losses will be allocated to Limited Partners. Dividend, interest and other sources of income earned will retain their characteristics when flowed through to Limited Partners. See "Certain Canadian Federal Income Tax Considerations".

Termination of Partnership

The Partnership may, subject to an Extraordinary Resolution of the Limited Partners to the contrary, be terminated at any time by the General Partner upon a minimum of 90 days' prior written notice to Limited Partners. The Limited Partners may also, by Extraordinary Resolution, authorize the dissolution of the Partnership.

See "Termination of the Partnership".

Risk Factors

Investment in the Partnership is subject to certain risks. Investors should consider the matters discussed under "Risk Factors".

For additional terms of the offering, prospective investors are encouraged to review the entire Amended and Restated Confidential Offering Memorandum.

GLOSSARY OF TERMS

“Average Annual Bank of Canada Rate” means, for any year, the amount obtained when the Bank of Canada Rate on the last Business Day of each month in that year are added together and the sum is divided by twelve;

“Average Risk Free Rate of Return” means, in any year, the amount obtained when 0.25% is subtracted from the Average Annual Bank of Canada Rate for that year;

“Bank of Canada Rate” means the rate of interest set by the Bank of Canada for loans by it to banks to which the *Bank Act* (Canada) applies, as published by the Bank of Canada;

“Business Day” means, any day on which the Toronto Stock Exchange is open for business;

“Business Hours” means, 9:30 a.m. to 4:30 p.m. on any Business Day;

“Cumulative Net Asset Value Increase” means, in respect of any year, the total of the Monthly Net Asset Value Increases for that year plus the total of the Monthly Net Asset Value Increases for any preceding year or years in respect of which no Performance Incentive Fee was paid to the General Partner;

“Cumulative Risk Free Rate of Return” means, in any year, the Risk Free Rate of Return in that year plus the Risk Free Rate of Return in any previous year in respect of which year no Performance Incentive Fee was paid to the General Partner;

“General Partner” means Stacey Muirhead Capital Management Ltd.;

“Investment Assets” means, the assets of the Partnership which have been invested or which are available for investment and, for greater certainty, includes all cash, deposits, investments, securities, derivative instruments, re-investments of invested assets, proceeds of sale of invested assets, all dividends, interest and other income earned on such invested assets and all appreciation of and additions to such investment assets from time to time;

“Investment Philosophy” has the meaning ascribed thereto in “Investment Objective and Activities of the Partnership - Investment Objective”;

“Liabilities” means those obligations which under generally accepted accounting principles would be included as liabilities on a balance sheet;

“Limited Partner” means any person who has delivered a subscription agreement to the General Partner which subscription agreement has been accepted by the General Partner, who has delivered to the Partnership the initial investment and who has executed and delivered the Partnership Agreement in counterpart;

“Monthly Net Asset Value Increase” means, in any month, the amount by which the Net Asset Value of the Partnership on the Valuation Day of that month exceeds the Net Asset Value of the Partnership on the Valuation Day of the preceding month;

“Net Asset Value” means, as of any Valuation Day, the Net Worth as of that Valuation Day;

“Net Asset Value per Unit” means, on any Valuation Day, the Net Asset Value of the Partnership divided by the number of Units outstanding;

“Net Worth” means, at any time, the value of the assets of the Partnership, determined as at such time in accordance with the Partnership Agreement, minus the aggregate Liabilities of the Partnership as at such time;

“Offering Jurisdictions” means, each of the Provinces of Canada (except Newfoundland and Labrador), the Northwest Territories and Nunavut, and subject to regulatory approval, the Yukon Territory;

“Partnership” means, Stacey Muirhead Limited Partnership;

“Partnership Agreement” means, the amended and restated limited partnership agreement dated February 29, 2008 between the General Partner and Jeffrey D. Stacey as limited partner, as amended from time to time;

“Performance Incentive Fee” has the meaning ascribed thereto in “Management of the Partnership - Performance Fee”;

“Risk Free Rate of Return” means, in respect of any month, the amount obtained when 0.25% is subtracted from the Bank of Canada Rate on the last business day of that month;

“Tax Act” means the *Income Tax Act* (Canada) and the policies, rules and regulations thereunder, as it may be amended from time to time;

“Unit” means, a limited partnership unit issued by the Partnership; and

“Valuation Day” means, the final Business Day in each month.

THE PARTNERSHIP

The Partnership was formed under the laws of the Province of Ontario pursuant to a declaration filed under the Limited Partnership Act (Ontario) (“LPA”) on December 20, 1993 and to the Partnership Agreement. The fiscal year end of the Partnership is December 31 in each year.

Limited Partners

The rights and obligations of the Limited Partners are governed by the Partnership Agreement and the LPA. **This Amended and Restated Confidential Offering Memorandum does not include a discussion of all the details of the Partnership Agreement and each investor should carefully review the Partnership Agreement itself for full details.**

The General Partner

The General Partner has exclusive authority to manage the business and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership including all authority necessary or incidental to carry out the objects, purpose and business of the Partnership. The General Partner must exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. Among other restrictions imposed on the General Partner, it cannot dissolve the Partnership or wind-up its affairs except in accordance with the provisions of the Partnership Agreement. The head office of the General Partner and of the Partnership is located at 20 Erb Street West, Suite 1200, Waterloo, Ontario N2L 1T2.

INVESTMENT OBJECTIVE AND ACTIVITIES OF THE PARTNERSHIP

Investment Objective

The principal investment objective of the Partnership is to utilize the investment philosophy of the General Partner (the “Investment Philosophy”) to maximize the average annual after-tax return on contributed capital for Limited Partners while minimizing the risk of permanent impairment of capital. Specifically, the objective of the General Partner is to outperform the S&P/TSX Total Return Index and the S&P 500 Total Return Index over the long term.

The Investment Philosophy is based on a long term fundamental value approach to investing. The essence of this investment philosophy is to purchase securities at market prices significantly below their intrinsic business value as determined by the General Partner while minimizing the risk of permanent impairment of capital.

Investment Activities

At most times, the majority of the Partnership’s investment portfolio consists of marketable common shares of various issuers, but from time to time may also include other types of financial instruments including debt securities, preferred shares, convertible securities, options, futures, currency instruments, precious metal certificates or bullion. Other investment activities undertaken by the Partnership may include the short sale of various financial instruments either separately in an attempt to derive gains or as part of a hedging program or strategy. In addition, the Partnership may undertake the negotiated or market purchase of entire or controlling interests in businesses which are consistent with the General Partner’s Investment Philosophy.

The principal investment activities of the Partnership include the following:

1. **Investment Positions** – The purchase of marketable securities in the form of common shares in businesses which are available at market prices significantly below their intrinsic business value as determined by the General Partner. It is expected that this activity will continue to represent the largest category of investment for the Partnership.
2. **Arbitrage and Workout Situations** – The Partnership makes investments in arbitrage and workout situations. This type of investing typically involves the pursuit of profits from an announced corporate event such as the sale, merger, recapitalization, reorganization or liquidation of a company. The General Partner only participates in arbitrage and workout situations that have been publicly announced. Where possible, the General Partner attempts to reduce risk in arbitrage and workout transactions through hedging.
3. **Fixed Income Instruments** – When the Partnership has excess capital because it is unable to find adequate opportunities to deploy capital to either investment positions or arbitrage and workout situations, it will make investments in short term money market or other short term fixed income instruments, usually short term treasury bills, as appropriate.

INVESTMENT RESTRICTIONS

Without the approval of the Limited Partners expressed by an Extraordinary Resolution, the Partnership will not:

- (a) invest more than one third of the total capital of the Partnership at any one time into any single class or series of a class of securities of any issuer (other than treasury bills and other debt instruments guaranteed by a sovereign nation, state or province) based on cost at the time of the investment; or
- (b) cause the Net Worth of the Partnership to incur Liabilities in an amount greater than 50% of the Net Worth of the Partnership.

RISK FACTORS

Prospective Limited Partners should consider the following risks associated with an investment in the Partnership in determining whether such an investment is appropriate for them in their particular circumstances.

Investment Activities

The Partnership's investment philosophy and operations involve a significant degree of business risk. Participation in arbitrage and workout situations, which is intended to be an important activity of the Partnership, involves special business risks. Although such investments may result in significant returns to the Partnership they involve a substantial degree of risk. See "Investment Activities".

Concentration of Investment Positions

As much as one third of the Investment Assets of the Partnership at any time may consist of a single investment. As a result, if all or a significant part of such an investment is sold for an amount less than the purchase price, the loss could have a material impact on the Partnership's assets.

Liquidity

Units are significantly less liquid than many other securities which are available for investment. They are not freely transferable and Limited Partners may not redeem their Units except upon last day of each month upon prior written notice.

Foreign Exchange Risks

The Partnership may invest a portion or all of its capital in foreign securities. As a result, income or losses may be affected by fluctuations in the rates of exchange between the Canadian dollar and the currencies of any other countries in which the Partnership invests. The General Partner may or may not hedge the currency risks of the Partnership for significant investment transactions denominated in currencies other than the Canadian dollar.

Use of Leverage

The Partnership may purchase marketable securities on margin or may borrow money in order to purchase marketable securities. The Partnership may incur losses if the Partnership's interest costs exceed the return on the investments acquired with borrowed funds, or if the investments acquired with borrowed funds decline in value. In addition, there is the risk of loss by the Partnership of margin deposits in the event of bankruptcy of a dealer with whom the Partnership has an open position. The General Partner will limit borrowing activity of the Partnership to a maximum of 50% of the Net Asset Value of the Partnership.

Short Sale Equity Positions

The Partnership may take short sale positions without maintaining an equivalent quantity or a right to acquire an equivalent quantity, of the underlying securities in its portfolio. While the General Partner will engage in these transactions only in circumstances where it has concluded that a particular security is over-valued in its principal markets, there can be no assurance that the security will experience declines in market value and this could result in the Partnership incurring losses if it has agreed to deliver securities at a price which is lower than the market price at which such securities may be acquired at the time the transaction is to be completed.

Interest Rate Fluctuations

In the case of interest rate sensitive securities, the value of a security may change as the general level of interest fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

Low Rated or Unrated Debt Obligations

At any one time, a portion of the debt component of the Partnership's portfolio may consist of instruments that are low rated or unrated. Such non-investment grade securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher grade issuers but typically involve greater risk.

Tax Risks

On June 22, 2007, amendments to the Tax Act (the “SIFT Rules”) were enacted regarding the taxation of specified investment flow through (“SIFT”) trusts and partnerships. The SIFT Rules significantly change the taxation of most publicly traded trusts and partnerships and distributions or allocations, as the case may be, from these entities to their investors. In particular, the SIFT Rules impose a tax on certain income earned by most publicly traded trusts and partnerships (other than certain REITs) and treat distributions or allocations of such income to investors as a dividend from a taxable Canadian corporation. The deemed dividend will be eligible for the enhanced dividend tax credit if paid or allocated to a resident of Canada. The SIFT Rules are generally effective for the 2007 taxation year for SIFTs that commenced public trading after October 31, 2006, but are generally delayed until the 2011 taxation year for SIFTs that were publicly traded prior to November 1, 2006. However, the deferral will be lost and the SIFT Rules will apply immediately in any taxation year ending after 2006 if the SIFT exceeds the normal growth limitations set out in the “Normal Growth Guidelines” released by the Department of Finance on December 15, 2006, as may be amended from time to time, unless the excess arose from a prescribed transaction. The Normal Growth Guidelines establish objective tests with respect to how much a SIFT is permitted to grow in the interim period from November 1, 2006 to the end of 2010 without becoming immediately subject to the SIFT Rules. The Partnership may invest in entities that are or will become subject to the SIFT Rules. No assurance can be given that Canadian federal income tax laws respecting the taxation of SIFTs will not be further changed in a manner that adversely affects partnerships and its investors.

On October 31, 2003, the Department of Finance released tax proposals for public comment (the “October 31, 2003 Proposals”). In general, the October 31, 2003 Proposals may deny losses in respect of a business or property if in the year it is not reasonable to expect that the taxpayer will realize a cumulative profit from that business or property for the period in which the taxpayer has carried on, and can reasonably be expected to carry on, that business or has held and can reasonably be expected to hold, that property. Profit, for this purpose, is determined without reference to capital gains or capital losses. In general, these proposals may limit losses realized by the Partnership and allocated to the Limited Partners and may deny losses realized by Limited Partners arising from the deduction of expenses incurred in connection with the acquisition of their Units. As part of the 2005 Canadian federal budget, the Minister of Finance (Canada) announced that an alternative proposal to reflect the October 31, 2003 Proposals would be released at an early opportunity. No such alternative proposal has been released to date. There can be no assurance that such alternative proposal will not adversely affect limited partners or that it may not differ significantly from the October 31, 2003 Proposals described above.

The Partnership intends to deduct the management fee payable to the General Partner in calculating the net income or loss of the Partnership. There is the possibility that the Canada Revenue Agency may deny the deductibility of the fee on the basis that it is more appropriately treated as an entitlement to share in the income of the Partnership.

Although the business of the Partnership is long term investment for capital appreciation and growth, from time to time it engages in activities to maximize cash returns on uninvested funds. The General Partner believes such activities will be ancillary to its investment activities, and consistent with its prudent investment management goals. However, the Canada Revenue Agency may consider that gains or losses realized by the Partnership should be taxed as ordinary income, rather than capital gain or loss, and reassess Limited Partners accordingly. The General Partner will undertake to assist any Limited Partner in defending any such reassessment by providing information to support the filing positions taken.

Competition

The investment operations of the Partnership are conducted in the context of a very competitive business environment. Such competition is particularly strong in respect of arbitrage and workout activities. In any given arbitrage situation, the activities of other investors generally narrow the spread between the price at which securities may be purchased by the Partnership and the price expected to be received upon consummation of a particular transaction.

Losses and Expenses

The losses and expenses of the Partnership may exceed its income and gains, resulting in a reduction of the capital of the Partnership of the amount by which such losses and expenses exceed income and gains.

Conflicts of Interest

Although the General Partner, Jeffrey D. Stacey and William R. Muirhead will devote such time and effort as is necessary to implement the objectives of the Partnership, subject to the limitations set out below, they are not precluded from engaging in or possessing an interest in any other business venture of any kind and description. As a result of such other activities, the General Partner, Mr. Stacey and Mr. Muirhead may have conflicts of interest in allocating management time services and functions among the Partnership and other business ventures.

Notwithstanding the foregoing, the General Partner, its officers and their spouses have agreed not to invest in marketable equity securities directly except through the Partnership and in the case of Registered Retirement Savings Plan assets or other such tax deferred plan assets, through the Stacey Muirhead RSP Fund.

Performance Incentive Fee

The fact that the Performance Incentive Fee is based on the performance of the Partnership may create an incentive for the General Partner to make investments that are more speculative and involve significantly greater risk than would be the case in the absence of the Performance Incentive Fee. This factor is somewhat tempered by the fact that losses would reduce the Partnership's performance and, accordingly, the Performance Incentive Fee and that the Performance Incentive Fee is only one aspect of the General Partner's compensation.

Early Liquidation of Investment Positions

Payments upon partial or complete withdrawal by a Limited Partner will be made in cash or by cheque. In order to pay withdrawing Limited Partners, the General Partner may be required to liquidate Investment Assets earlier than it might otherwise choose. Such asset liquidations may cause the Partnership to incur losses and could substantially reduce the Net Worth of the Partnership if large withdrawals are made at the same time so as to force premature asset dispositions.

Regulatory Environment

The Partnership must comply with various legal and regulatory requirements including requirements imposed by securities, tax and other laws and regulations. Should any of these laws or regulations change, the legal requirements to which the Partnership and the Limited Partners may be subject could differ materially from current requirements.

Use of Derivatives

Derivatives for hedging and other investment purposes will be used by the Partnership only to the extent that the General Partner considers appropriate. Hedging involves special risks including the possible default by the other party to the transaction, liquidity and, to the extent the General Partner's assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. Hedging against changes in the value of currency does not eliminate fluctuations in the prices of portfolio securities and does not prevent losses if the prices of such securities decline. Hedging may also limit the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for the Partnership to enter into transactions which hedge against generally anticipated changes in currencies.

The use of options entails certain special risks. Call options will not protect the Partnership from declines in the value of the underlying security and may limit the Partnership's potential to realize a gain on the value of the underlying security. Put options may expose the Partnership to losses if the value of the underlying security has declined in its principal markets when compared to the transaction price at which the Partnership is required to purchase the security. In addition, the Partnership may write exchange-traded put and call options which, in the discretion of the General Partner may not be "covered" options. The use of currency transactions could result in the Partnership incurring losses as a result of the imposition of exchange controls, suspension of settlements or the inability to deliver or receive a specified currency. In addition, options markets could be illiquid in some circumstances and certain over-the-counter options could have no markets. There can be no assurance that a market will exist to permit the Partnership to realize its profits or limit its losses by closing out certain positions.

If the Partnership is unable to close out a position, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires or the forward contract terminates, as the case may be. The ability of the Partnership to close out its position may be affected by exchange imposed daily trading limits on options. In addition, the Partnership bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

MANAGEMENT OF THE PARTNERSHIP

Investment Management

The General Partner of the Partnership is Stacey Muirhead Capital Management Ltd., an Ontario corporation which was formed in 1989. Since 1994 the General Partner has been providing investment management and advisory services to the Partnership. Jeffrey D. Stacey and William R. Muirhead are the officers and shareholders of the General Partner. Mr. Stacey has been involved in the investment industry since 1984 and holds a Chartered Financial Analyst (CFA) designation. Mr. Muirhead has been involved in the investment industry since 2004 and holds a Chartered Accountant (CA) designation. Both Mr. Stacey and Mr. Muirhead hold a Bachelor of Business Administration degree from Wilfrid Laurier University.

Management Fee

In consideration for its investment management and advisory services, the General Partner receives a management fee of 1% per annum of the Net Asset Value of the Partnership, calculated and payable monthly. The General Partner reserves the right to decline any or all or otherwise reimburse to the Partnership such management fee owing or paid at any time. Such

management fee will be deducted as an expense of the Partnership in the calculation of the net gains or losses of the Partnership.

Performance Incentive Fee

If the total of the Monthly Net Asset Value Increases of the Partnership in any year exceeds the Average Risk Free Rate of Return for that year (determined on an annualized basis for Units not held for the full calendar year) the General Partner will be entitled to receive from the Limited Partners a performance incentive fee (the "Performance Incentive Fee"). In each month in which there is a Monthly Net Asset Value Increase, an amount equal to 25% of such Monthly Net Asset Value Increase, less 1/12 of the Risk Free Rate of Return for that month shall be subtracted from the accounts of each Limited Partner and accrued on the books of the Partnership, subject to adjustment in subsequent months, for payment to the General Partner at the end of that year.

To the extent that in any one year the total of the Monthly Net Asset Value Increases of the Partnership (adjusted to reflect any management fees or other liabilities which are payable) is less than the Risk Free Rate of Return, the amount by which the Risk Free Rate of Return exceeds the total of the Monthly Net Asset Value Increases in that year shall be carried forward to future years and no performance incentive fee shall be paid until the Cumulative Net Asset Value Increase of the Partnership from December 31st of the last year in which a performance incentive fee was paid exceeds the Cumulative Risk Free Rate of Return during the same period.

The overall net gains or losses in any year are calculated after allowing for all operating expenses of the Partnership including the management fee. The Performance Incentive Fee is based on full year overall net gains and Limited Partners that purchase or redeem Units during the year may experience first year returns on those Units that deviate from the arrangement due to timing differences related to the accrual or discount of the performance incentive fee allocated to the General Partner.

Expenses

The General Partner is responsible for all expenses in connection with the day to day administration of the Partnership and its operations and is responsible for costs incurred in connection with the offering of Units.

The Partnership is responsible for all costs in connection with the auditing of the Partnership, legal fees associated with the on-going administration of the Partnership, interest charges on funds borrowed by the Partnership and commissions or other charges for brokerage and banking services provided to the Partnership.

INVESTING IN UNITS OF THE PARTNERSHIP

The Offering

Units of the Partnership are being offered on a continuous basis to investors resident in the Offering Jurisdictions pursuant to the exemptions to the prospectus requirements contained in sections 2.3 and 2.10 of National Instrument 45-106 ("NI 45-106"). Units of the Partnership are offered pursuant to the exemptions to the registration requirements contained in sections 2.3 and 2.10 of NI 45-106. In the Offering Jurisdictions except Ontario and through the General Partner in Ontario. The Manager may apply for relief from the prospectus and registration

requirements contained in the securities legislation of the Yukon Territory. Purchases by residents of the Yukon Territory will not be permitted until such approvals have been obtained.

Purchase of Units

Units may be acquired as of the first day of each month. Prospective investors who wish to subscribe for Units must complete, execute and deliver a subscription agreement (a "Subscription Agreement") substantially in the form of the Subscription Agreement attached as Exhibit A to the Offering Memorandum. The Purchase Price is equal to the Net Asset Value per Unit as calculated on the next Valuation Day following receipt of the subscription and shall be paid at such time on or after such Valuation Day as directed by the General Partner. See "Net Asset Value Calculation". The General Partner reserves the right to accept or reject subscriptions, provided that any decision to reject a subscription must be made promptly and any monies received with a rejected subscription will be returned or refunded immediately after such decision has been made by the General Partner. The General Partner specifically reserves the right to reject subscriptions by "non-residents" or partnerships that are not "Canadian partnerships" each within the meaning of the Tax Act, by persons or partnerships an interest in which is a tax shelter investment within the meaning of section 143.2 of the Tax Act or whose Units would be a "tax shelter investment", or by a person or partnership who would cause the partnership to become a financial institution for purposes of the Tax Act.

An investor who acquires Units by executing and delivering a Subscription Agreement will become a Limited Partner under the Partnership Agreement after the General Partner accepts such subscription, the Partnership has received payment of the initial capital contribution of such investor and the investor has executed and delivered the Partnership Agreement in counterpart, whereupon the appropriate filings shall be made by the General Partner under the LPA.

Minimum Investment

The minimum investment in the Partnership is \$150,000 or such other amount as established from time to time by the General Partner.

Additional Investments

Additional investments in the Partnership by Limited Partners who are purchasing Units pursuant to the "accredited investor" exemption in s.2.3 of NI 45-106 are permitted in amounts as established from time to time by the General Partner.

Additional investments in the Partnership by Limited Partners who are purchasing Units pursuant to the "minimum amount investment" exemption in section 2.10 of NI-45-106 are permitted in amounts less than the minimum investment threshold provided that the Limited Partner holds Units which when acquired had an aggregate acquisition cost, or at the time of the additional investment have a net asset value, equal to \$150,000 the minimum investment amount.

NON RESIDENTS

By executing the Subscription Agreement, each Limited Partner represents to the General Partner and to all other Limited Partners that he is not a "non-resident" or a partnership that is not a "Canadian partnership" each within the meaning of the Tax Act. In the event that a Limited Partner fails to promptly provide evidence that his status is as so represented, the General Partner has the right to sell such Limited Partner's Units or purchase the same on

behalf of the Partnership at a price per Unit equal to the Net Asset Value per Unit next determined.

If at any time a Limited Partner becomes a “non-resident” or a partnership that is not a “Canadian partnership” each within the meaning of the Tax Act, a “non-resident” within the meaning of the *Investment Canada Act* (Canada), a person or partnership an interest in which is a “tax shelter investment” within the meaning of section 143.2 of the Tax Act or who would cause the Units or interests therein to become a “tax shelter investment”, a person or partnership who would cause the partnership to become a financial institution for purposes of the Tax Act or if he ceases to deal at arm’s length with the Partnership or the General Partner within the meaning of the Tax Act (collectively, a “prohibited investor”), or if he transfers his interest to a prohibited investor, such Limited Partner, or such transferee, as the case may be, is required to notify the General Partner in advance of any such change in his status or residency. Such Limited Partner or transferee will automatically cease to be a Limited Partner effective the previous Valuation Day and his or her Units will be redeemed at the net asset value per Unit determined on that Valuation Day (after accounting for any Performance Incentive Fee payable in respect of the Units being redeemed) if he remains a prohibited investor by the end of such month. Such Limited Partner or transferee shall be liable for and shall indemnify and hold harmless the Partnership and each Partner from and against any and all costs, expenses, damages or losses whatsoever incurred by them, or any of them, as a result of such change in status or residency. The General Partner shall not be required to accept a subscription by or approve a transfer to a prohibited investor.

PARTNERSHIP UNITS

The capital of the Partnership is divided into Units each of which represents an undivided equity interest in the Partnership and entitles the holder thereof to the rights and benefits specified in the Partnership Agreement without distinction, preference or priority. All Units have equal voting, distribution and other rights. Unit Certificates evidencing ownership of Units shall be issued upon request to Limited Partners by the Partnership. The rights of the Limited Partners are contained in the Partnership Agreement which may be modified, amended or named only in accordance with the provisions contained in the Partnership Agreement. Limited Partners are entitled to redeem their Units, subject to the General Partner’s right to suspend the right of redemption. See “Redemption of Units”.

TRANSFER OF UNITS

Any transfer by Limited Partners of their Units is prohibited by the Partnership Agreement, except in the case of the death, incapacity, disability or bankruptcy of a Limited Partner, whereupon his or her Units are assigned by operation of law and, upon satisfaction of the conditions set forth in the Partnership Agreement, his or her assignee shall become a Limited Partner. Accordingly, except in the case of assignments by operation of law, if a Limited Partner purports to sell, assign, transfer, mortgage, pledge, hypothecate, grant a security interest in, or otherwise encumber, the whole or any portion of his or her Units, any such action by that Limited Partner shall be void, and any assignee of such Units shall not become a Limited Partner under the Partnership Agreement, or otherwise acquire any rights of a Limited Partner whatsoever, and the General Partner shall treat any such transaction as not having occurred.

DISTRIBUTIONS

The Partnership does not contemplate that any distributions will be made to Limited Partners other than upon the redemption of Units or upon the dissolution of the Partnership. The General

Partner reserves the right, in accordance with the Partnership Agreement, to determine whether any distribution will be made to Limited Partners.

NET ASSET VALUE CALCULATION

As of every Valuation Day, the Manager will determine the Net Asset Value of the Partnership and of each Unit of the Partnership. A “Valuation Day” is the last business day of each month. The Net Asset Value of the Partnership is determined by valuing the assets of the Partnership in accordance with the Limited Partnership Agreement and deducting all its expenses and liabilities. The net asset value of the Partnership is divided by the number of Units outstanding (before redemptions and subscriptions) at the close of business on that Valuation Day in order to ascertain the net asset value of a Unit as at the relevant Valuation Day. The Net Asset Value will be reported in Canadian currency.

RESALE RESTRICTIONS

The Units are being sold pursuant to private placement exemptions from the registration and prospectus requirements of applicable securities laws. According to such laws, the Units are subject to restrictions on resale until such time as the appropriate “hold periods” have been satisfied, a further exemption may be relied upon or an appropriate discretionary remedy may be obtained. As the Partnership is not a reporting issuer under applicable securities legislation, the applicable “hold periods” may never expire and resale of the Units may not be permitted without a further statutory exemption or a discretionary order. Purchasers should consult their legal advisors to determine the availability of further exemptions or the possibility of obtaining a discretionary order. In the event of a resale, disclosure must be made to securities regulators including, without limitation, the filing of a Form 45-106 F2.

REDEMPTION OF UNITS

On each Valuation Day, Limited Partners may redeem all or a portion of their Units upon providing prior written notice to the General Partner at the Net Asset Value per Unit as determined on the next Valuation Day following the expiration of the notice period (after accounting for the accrual of the Performance Incentive Fee payable in respect of the Units being redeemed). If, upon a redemption, the Net Asset Value of Units held at that time will be less than \$150,000 or such other amount as determined by the General Partner from time to time, the General Partner shall have the right to require such Limited Partner to redeem all of the Units owned by such Limited Partner by notice in writing to the Limited Partner given before the date set for redemption. There will be no charges associated with voluntary or involuntary redemptions.

The right to receive payment upon redemption may be suspended wholly or partially for a period of up to six months if the General Partner receives notice of the intention of Limited Partners to redeem at the end of any one month amounts in the aggregate equal to 25% or more of the total net asset value of the Partnership. In addition, the General Partner may temporarily suspend the right of Limited Partners to redeem Units and may postpone the date of payment of redemption proceeds (i) for any period when normal trading is suspended on any stock, options or other exchange or market within or outside Canada on which securities are listed and traded, or on which derivatives are traded, which represent more than 50% by value or underlying market exposure of the total assets of the Partnership without allowance for liabilities, or (ii) with the consent of the Ontario Securities Commission. Any redemption request of a Limited Partner which has been deferred because of a suspension of redemptions of the Partnership will be

completed on the first Valuation Day following the termination of the suspension unless earlier withdrawn by the Limited Partner.

The General Partner will process redemption transactions promptly upon receipt of required redemption documents and will to distribute redemption proceeds to Limited Partners as soon as practicable but not later than 15 business days following the Redemption Date.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Partnership and the General Partner, the following is a fair summary of the principal Canadian federal income tax considerations of acquiring, holding and disposing of Units in the Partnership generally applicable to a purchaser of Units pursuant to this offering who, for the purposes of the Tax Act, is an individual (other than a trust) who is or is deemed to be a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention, holds Units as capital property and who deals with the Partnership and the General Partner at arm's length and is not affiliated with the Partnership or the General Partner.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder announced by the Minister of Finance (Canada) prior to the date hereof ("Tax Proposals") and counsel's understanding of the current published administrative and assessing policies of the Canada Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account provincial, territorial or foreign tax legislation or considerations.

This summary is of a general nature only and is not intended to constitute legal or tax advice to any particular Limited Partner. Each prospective purchaser should seek independent advice regarding the income tax consequences of investing in the Partnership based upon his or her own particular circumstances.

References to "income" or "loss" in this summary mean income or loss as determined for the purposes of the Tax Act.

Computation of Partnership Income or Loss

The Partnership itself is not subject to tax under the Tax Act. Rather, the income or loss of the Partnership for a fiscal period for purposes of the Tax Act will be computed as if the Partnership were a separate person resident in Canada. The income of the Partnership as determined for purposes of the Tax Act may differ from its income as determined for accounting or non-Canadian tax purposes and may not be matched by cash distributions. In computing the income or loss of the Partnership, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by the Partnership for the purposes of earning income, subject to the relevant provisions of the Tax Act.

For purposes of the Tax Act, all income of the Partnership must be calculated in Canadian currency. Where the Partnership acquires investments denominated in U.S. dollars or other foreign currencies, gains and losses may be realized by the Partnership as a consequence of fluctuations in the relative values of the Canadian and foreign currencies.

Since the Partnership is not expected to make regular distributions, a Limited Partner may incur tax liabilities in excess of actual cash distributions made prior to the date the liability arises or the tax is due.

Computation of Income of Limited Partners

Each person who is a Limited Partner during a fiscal period of the Partnership, in computing his or her own income for his or her taxation year in which such fiscal period ends or with which it coincides, will be required to include (or, subject to the limitations described below, will be permitted to deduct) his or her share of the income (or loss) of the Partnership for that fiscal period, whether or not any amounts are or will be distributed to him or her or whether he or she held the Units throughout such year. The fiscal period of the Partnership ends on December 31 in each calendar year, and a fiscal period of the Partnership will end on dissolution of the Partnership. In general, a Limited Partner's share of any income or loss from the Partnership from a particular source will be treated as if it were income or loss of the Limited Partner from that source, and any provisions of the Tax Act applicable to that type of income or loss will apply to the Limited Partner.

The character of any gains realized by the Partnership on the disposition of investments as either capital gains or income gains will depend largely on factual considerations and no conclusions are expressed herein. The Partnership's share of the "foreign accrual property income" ("FAPI") as defined in the Tax Act of corporations not resident in Canada which are "controlled foreign affiliates" as defined in the Tax Act of the Partnership will be included in computing its income. The FAPI of such corporations generally includes, inter alia, their income from (or income that is deemed to be from) property (other than dividends and certain other amounts received from other "foreign affiliates" as defined in the Tax Act), income from (or income that is deemed to be from) businesses other than active businesses and certain taxable capital gains.

A Limited Partner's share of taxable dividends received or considered to be received by the Partnership in a fiscal period from a corporation resident in Canada will be treated as a dividend received by the Limited Partner and will be subject to the normal rules in the Tax Act applicable to such dividends, including the enhanced dividend gross-up and tax credit for eligible dividends when the dividend received by the Partnership is designated as an eligible dividend.

Foreign taxes paid by the Partnership and taxes withheld at source (other than for the account of a particular Limited Partner) will be allocated to the General Partner and the Limited Partners pro rata to their allocations of related income or loss under the Partnership Agreement. Each Limited Partner's share of the business-income tax and non-business-income tax paid in a foreign country for a year will be creditable against its Canadian tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, there is a risk of double taxation.

To the extent of its at-risk amount, and subject to the October 31, 2003 Proposals, a Limited Partner's share of losses of the Partnership (other than capital losses) for any fiscal period may be applied against income of the Limited Partner from any other source to reduce income for the relevant taxation year and, to the extent it exceeds other income for that year, generally may be carried back three years and forward 20 years and deducted in computing its taxable income for those years.

Allowable capital losses (one-half of capital losses) are only deductible against taxable capital gains (one-half of capital gains) for purposes of the Tax Act. Accordingly, a Limited Partner's share of any allowable capital losses of the Partnership will be deductible against taxable capital gains realized in the year the loss is allocated. Allocated allowable capital losses in excess of taxable capital gains realized in the year can be carried back three years or forward to any subsequent year, for deduction against net taxable capital gains realized in those years, to the extent and under the circumstances described in the Tax Act.

The Tax Act contains provisions which in general limit the ability of a limited partner to deduct in any taxation year his or her share of losses of a partnership for a particular fiscal period to his or her "at-risk amount" in respect of the partnership at the end of the fiscal period. Any losses so restricted will be deemed to be the Limited Partner's "limited partnership loss" in respect of Partnership for the taxation year. The limited partnership loss may be carried forward and deducted by the Limited Partner in computing its taxable income for Canadian income tax purposes for any subsequent taxation year to the extent of the Limited Partner's at-risk amount in respect of the Partnership at the end of the last fiscal period of the Partnership ending in or coinciding with the end of the taxation year, less in general its share of the Partnership's losses from a business or property for that fiscal period. The at-risk amount of a Limited Partner in respect of the Partnership is determined in accordance with detailed rules contained in the Tax Act. In general terms, the at-risk amount of a Limited Partner in respect of the Partnership at the end of the fiscal period of the Partnership is (i) the adjusted cost base of the Limited Partner's Units at that time, plus (ii) the Limited Partner's share of the income of the Partnership for the fiscal period, less the aggregate of (a) all amounts owing by the Limited Partner or by a person or partnership with whom the Limited Partner does not deal at arm's length to the Partnership or to a person or partnership with whom the Partnership does not deal at arm's length, and (b) any amount or benefit (with certain specified exceptions) that the Limited Partner or a person with whom the Limited Partner does not deal at arm's length is entitled to receive where the amount or benefit is intended to protect the Limited Partner from any loss that may be sustained by virtue of being a member of the Partnership or holding or disposing of Units. Where a transferee acquires a Unit from a transferor other than the Partnership, the cost to the transferee of such Unit for purposes of determining the relevant at-risk amount is the lesser of the transferee's cost of such Unit and the transferor's adjusted cost base of such Unit. Where the adjusted cost base of the transferor cannot be determined, the at-risk amount of the transferee is nil.

Any amount deductible by a holder of a Unit as his or her share of a loss of the Partnership and interest deductible on borrowed money used to acquire a Unit is required to be included in the holder's adjusted taxable income for the purpose of determining his or her alternative minimum tax obligation, if any.

October 31, 2003 Proposals

On October 31, 2003, the Department of Finance released Tax Proposals for public comment (the "October 31, 2003 Proposals"). In general, the October 31, 2003 Proposals may deny losses in respect of a business or property if in the year it is not reasonable to expect that the taxpayer will realize a cumulative profit from that business or property for the period in which the taxpayer has carried on, and can reasonably be expected to carry on, that business or has held and can reasonably be expected to hold, that property. Profit, for this purpose, is determined without reference to capital gains or capital losses. In general, these proposals may limit losses realized by the Partnership and allocated to the Limited Partners and may deny losses realized by Limited Partners arising from the deduction of expenses incurred in connection with the acquisition of their Units. As part of the 2005 Canadian federal budget, the Minister of Finance

(Canada) announced that an alternative proposal to reflect the October 31, 2003 Proposals would be released at an early opportunity. No such alternative proposal has been released to date. There can be no assurance that such alternative proposal will not adversely affect Limited Partners or that it may not differ significantly from the October 31, 2003 Proposals described above.

Foreign Investment Entity Proposals

Bill C-10 contains revised Tax Proposals relating to foreign investment entities (the “FIE Proposals”) that will apply to taxation years that begin after 2006. Each of the defined terms used in this paragraph are as defined in the FIE Proposals. The FIE Proposals generally require a taxpayer (other than an “exempt taxpayer”) that holds a “participating interest” (other than an “exempt interest”) in a “foreign investment entity” to include in income annually as income from property an amount determined by multiplying the “designated cost” of the participating interest by the prescribed rate of interest under the Tax Act from time-to-time unless the taxpayer makes a valid election to use either the “accrual method” or the “mark-to-market” method (which election is unlikely to be available). An amount so included in income is added to the taxpayer’s adjusted cost base of the participating interest and is included in the taxpayer’s designated cost in respect of the participating interest for future taxation years. In certain circumstances, a taxpayer who includes an amount in income in respect of an amount payable from a foreign investment entity will be entitled to a deduction in respect of amounts previously included in income in respect of the designated cost of a participating interest in such entity. An amount so deducted is also deducted from the taxpayer’s adjusted cost base of the participating interest.

Under the FIE Proposals, Units will be an exempt interest and will not be a tracked interest and therefore will not be subject to the FIE Proposals. However, in computing income for Canadian federal income tax purposes, the Partnership will be subject to the FIE Proposals with respect to any interest that is a participating interest in a foreign investment entity (other than an exempt interest) or a tracked interest. The Partnership also will be subject to the FAPI rules in the Tax Act with respect to investments in any non-resident corporations that constitute controlled foreign affiliates and will be required to apply the FIE Proposals itself in computing the FAPI of each of its foreign affiliates.

The General Partner expects that non-resident entities in which the Limited Partnership invests generally will be operating businesses (such that certain exemptions from the foreign investment entity definition in the FIE Proposals will apply), and further, that it generally will not make investments of the nature which the tracking entity rules as set out in the FIE Proposals are intended to address. Consequently, it believes that its investments in most cases should not fall within the application of the FIE Proposals. However, there can be no assurance in this regard. In addition, there can be no assurance that the FIE Proposals will not be amended prior to any enactment. Limited Partners to whom the application of the FIE Proposals may be relevant are advised to consult their own tax advisors for a detailed understanding of the FIE Proposals and the potential consequences of their application having regard to such Limited Partners’ particular circumstances.

Tax Shelter and Tax Shelter Investment Rules.

A “tax shelter” is defined in the Tax Act as an investment in respect of which representations have been made that the tax deductions in respect of taxation years ending within four years from the date the investment was acquired, will equal or exceed the cost of the investment less any prescribed benefits. Among other things, prescribed benefits include limited-recourse and

long-term (over 10 years) debt. A “tax shelter investment” is defined in the Tax Act to include a tax shelter and certain partnership interests that are not tax shelters. Where any interest in a partnership is a tax shelter investment or entitles the holder to receive a share of the income of another partnership that is a tax shelter investment, all interests in that partnership will be tax shelter investments. If any of a partnership’s investments is a tax shelter investment, or any interests in the partnership are tax shelter investments, the cost amount of the partnership’s investments (or, in certain circumstances, the cost amount of a Limited Partner’s Units) will be reduced, and consequently any gain (or loss) realized on the disposition of an investment (or on the disposition of a Limited Partner’s Units) may be increased (or decreased), for Canadian income tax purposes, by the principal amount of all of the indebtedness of the partnership (other than qualifying debt repaid within 60 days of borrowing) or any indebtedness that is a “limited recourse amount” for purposes of the Tax Act of a member of the partnership or any person not dealing at arm’s length with the partnership (or the Limited Partner), that reasonably relates to the expenditure.

Borrowing generally will be considered a limited recourse amount for these purposes unless: (i) bona fide arrangements, evidenced in writing, are made, at the time the indebtedness arises, for repayment of the indebtedness and all interest thereon within a reasonable period not exceeding 10 years; and (ii) interest is payable at least annually, at a rate equal to or greater than the lesser of the prescribed rate of interest under the Tax Act in effect at the time the indebtedness arose and the prescribed rate of interest applicable from time to time during the term of the indebtedness, and such interest is paid by the Limited Partner in respect of the indebtedness not later than 60 days after the end of each taxation year of the Limited Partner.

The General Partner does not believe that Units are tax shelters, but it does not have information to ascertain whether any Units held by Limited Partners would represent tax shelter investments to them. Such a determination would be based in part on expenses incurred or to be incurred personally by the holders of Units. Consequently, each Limited Partner will represent to the Limited Partnership that its investment in Units will not cause its Units or any other Units to be a tax shelter investment and will indemnify the Limited Partnership and its members for any loss, claim, damage or liability they may incur if this representation is not correct. Accordingly, Limited Partners should consult their own tax advisors to ensure that their Units will not be tax shelter investments.

Disposition of Units

Upon the actual or deemed disposition of Units, a capital gain (or a capital loss) will generally be realized by the holder to the extent that the proceeds of disposition of the Units, net of any reasonable costs of the disposition, exceed (or are exceeded by) the adjusted cost base thereof to him or her. One-half of a Limited Partner’s capital gain (or capital loss) must be included in computing the Limited Partner’s income as a taxable capital gain (or allowable capital loss). An allowable capital loss will be deductible against a taxable capital gain realized in the year. Allowable capital losses in excess of taxable capital gains realized in the year may be carried back three years or forward to any subsequent year and deducted against net taxable capital gains realized in those years, to the extent and under the circumstances described in the Tax Act. The disposition of a Unit to a person exempt from tax under the Tax Act may give rise to adverse consequences to the transferor.

Subject to the tax shelter investment rules discussed above, the adjusted cost base of a Limited Partner’s Units at any time generally is the actual cost of the Units to him or her plus his or her share of the income of the Partnership for any fiscal period ending before that time, less his or her share of any losses of a Partnership (other than any portion of the losses not deducted by

reason of the application of the at-risk rules) for any fiscal period ending before that time and any distributions made to him or her from the Partnership before that time. In certain instances, further items (such as the non-taxable portion of capital gains and the non-allowable portion of capital losses) may enter into the computation of the adjusted cost base. If a Limited Partner's Units are not a tax shelter investment, the adjusted cost base of the Units will be reduced by the amount of any debt that relates to the acquisition of the Units for which recourse is limited either immediately or in the future and either absolutely or contingently. Where, at the end of a fiscal period of the Partnership, the adjusted cost base to a Limited Partner of its Units becomes a negative amount as a result of any such adjustments, the negative amount is deemed to be a gain from the disposition of the Units at the end of the fiscal period of the Partnership. In such a case, the adjusted cost base of the Limited Partner's Units will be nil at the beginning of the next fiscal period of the Partnership. The adjusted cost base of each Unit will be subject to the averaging provisions contained in the Tax Act.

Where a Limited Partner disposes of all of its Units, such person will no longer be a partner of the Partnership. If, however, a Limited Partner is entitled to receive a distribution from the Partnership after the disposition of all such Units, then the Limited Partner will be deemed to dispose of the Units at the later of: (i) the end of the fiscal period of the Partnership during which the disposition occurred; and (ii) the date of the last distribution made by the Partnership to which the Limited Partner was entitled. Pursuant to the Tax Proposals, the pro rata share of the income (or loss) for tax purposes of the Partnership for a particular fiscal period which is allocated to a Limited Partner who has ceased to be a partner will generally be added (or deducted) in the computation of the adjusted cost base of the Limited Partner's Units at the time of the disposition. These rules are complex and Limited Partners should consult their own tax advisors for advice with respect to the specific tax consequences to them of disposing of Units.

The realization of a capital gain on the disposition of a Unit or the allocation of a capital gain by the Partnership may give rise to an increased liability for the alternative minimum tax.

Filing and Reporting Requirements.

Each Limited Partner generally will be required to file an income tax return reporting his or her share of the income or loss of the Partnership for each taxation year. The General Partner will not prepare or file income tax returns on behalf of a Limited Partner nor will it file information returns on behalf of a Limited Partner. The General Partner will provide each Limited Partner with certain information required for income tax purposes pertaining to the investments in Units. The General Partner has undertaken to file any information or return that may be required to be filed on behalf of Partnership.

The reporting rules in the Tax Act are complex and this summary does not purport to explain all circumstances in which reporting may be required by the Partnership or by any Limited Partner. Accordingly, Limited Partners should consult their own advisors to ensure that all requisite reporting is made.

Tax Shelter Identification Number

Provided that no representations or statements are made regarding the deductibility of any amount in connection with the acquisition of Units, other than those contained in this Memorandum, it is not necessary to obtain a tax shelter identification number with respect to the issuance of such Units.

Eligibility for Investment by Deferred Income Plans

Units are not “qualified investments” under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans or registered disability savings plans.

LIMITED LIABILITY

The Partnership will operate in such a manner as to ensure to the greatest extent possible, the limited liability of the Limited Partners.

The LPA provides, in effect, that a Limited Partner benefits from limited liability unless, in addition to exercising his rights and powers as a limited partner, he takes part in the control of the business of the Partnership. The liability of each Limited Partner is limited to the capital that he has contributed or agreed to contribute to the Partnership plus his pro rata portion of any undistributed income of the Partnership. Where a Limited Partner has received the return of all or part of his contribution, he is nevertheless liable to the Partnership or, where the Partnership is dissolved, to its creditors for any amount, 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 otherwise arose before the return of the contribution. In order that the liability of the Limited Partners be limited to the extent described, certain legal requirements under the LPA must be satisfied. The General partner will endeavour to make all necessary recordings and filings under applicable legislation.

Limited Partners are not be permitted to take part in the management of the business of the Partnership but the Limited Partners will be entitled, on a limited basis, to examine the state and progress of the Partnership’s business.

REPORTING TO LIMITED PARTNERS

Limited Partners can access monthly updates by internet and receive quarterly reports within 45 days of the end of each calendar quarter end and audited annual financial statements with the auditor’s report thereon within 90 days of the end of each calendar year. Such reports detail the overall gains (or losses) of the Partnership for such periods and the redemption price per Unit as at the end of such periods. Limited Partners also receive all necessary information to enable them to submit income tax returns with respect to their investments.

The General Partner keeps the books and records of the Partnership at its head office. A register of capital accounts is maintained setting out the addresses of the Limited Partners and the amount of their capital accounts. Limited Partners have access to the books and records of the Partnership during Business Hours. The General Partner files all information returns required to be filed on behalf of the Partnership.

MEETINGS OF LIMITED PARTNERS

Annual Meetings of the Partners shall be held each year no later than June 30th. General Meetings may be called at any time by the General Partner and must be called by the General Partner on the written request of Limited Partners holding, in the aggregate, not less than 10% of the total number of outstanding Units. Notice of meetings must be given in writing not less than 21 and not more than 60 days before the date of the meeting.

A quorum for any meeting is two Limited Partners in person or represented by proxy holding, in the aggregate, not less than 25% of the total number of outstanding Units. If a quorum is not

present, the meeting will be adjourned to a date not less than 15 business days and not more than 30 business days later, and a quorum at such adjourned meeting will be the number of Limited Partners present in person or represented by proxy at the adjourned meeting.

APPROVAL OF LIMITED PARTNERS

The Partnership Agreement provides that the following matters, among others, require the approval of the Limited Partners evidenced by not less than $66\frac{2}{3}\%$ of the votes cast by those Limited Partners who vote on such matters in person or by proxy at a meeting of the Limited Partners (an "Extraordinary Resolution"):

- (a) the removal of the General Partner in accordance with the Partnership Agreement;
- (b) the amendment of the Partnership Agreement in a manner materially adverse to the interests of a Limited Partner;
- (c) the replacement of any auditor appointed by the General Partner;
- (d) the dissolution of the Partnership;
- (e) permitting the Partnership to invest more than one third of its capital in any one single investment (other than treasury bills and government guaranteed debt) based on cost at the time of investment; and
- (f) causing the Net Worth of the Partnership to be less than $\frac{2}{3}$ of the sum of the liabilities and Net Worth of the Partnership.

The Limited Partners may authorize amendments to the Partnership Agreement by Extraordinary Resolution. The General Partner will be entitled to make certain amendments to the Partnership Agreement without the consent of the Limited Partners, provided such amendments are for the protection of the Limited Partners or, in the written opinion of counsel to the Partnership, do not adversely affect the rights of any Limited Partner.

TERMINATION OF THE PARTNERSHIP

The Partnership may, subject to an Extraordinary Resolution of the Limited Partners to the contrary, be terminated by the General Partner at any time upon 90 days' prior notice in writing given to all Limited Partners. The Partnership may also be dissolved upon the adoption of an Extraordinary Resolution authorizing its dissolution, at which time the Partnership will commence to liquidate and distribute its remaining net assets to its Partners.

Upon liquidation, the proceeds from the sale of Partnership assets and any assets remaining on hand shall be applied or paid in the following order of priority: (i) to expenses of liquidation and debts to persons other than the Partners; (ii) to amounts owing to the General Partner for any advances or loans made by it to, or on behalf of, the Partnership; (iii) to amounts owing to the General Partner with respect to its management fee and performance incentive fee, if applicable; and (iv) the balance, if any, to the Partners, in proportion to their respective capital account balances, net of the Performance Incentive Fee paid to the General Partner pro rated to the date of liquidation.

AUDITORS

The General Partner shall be responsible for appointing the Auditors for the Partnership. The Partnership's auditors are Ernst & Young, Chartered Accountants, 515 Riverbend Drive, P.O. Box 9458, Station C, Kitchener, Ontario N2G 4W9.

MATERIAL CONTRACTS

The only material contract entered into, or to be entered into, by the General Partner or the Partnership, excluding contracts entered into in the usual course of business, is the Partnership Agreement. Copies of the Partnership Agreement may be inspected at the head office of the General Partner during business hours (between 9:30 a.m. and 4:30 p.m. on any day on which The Toronto Stock Exchange is open for business).

PROMOTER

The General Partner is also the promoter of the Partnership under applicable securities legislation having taken the initiative in its establishment.

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

Securities legislation in the Offering Jurisdiction provides that purchasers of Units pursuant to this Offering Memorandum must be granted a statutory or contractual right of action for rescission or damages if this offering memorandum and any amendment to it contains a misrepresentation. These statutory or contractual rights of action are described in Schedule "1" hereto.

MONEY LAUNDERING AND TERRORIST FINANCING

As required by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, the General Partner is obligated to implement specific measures to detect and deter money laundering and the financing of terrorist activity. As such, Unitholders will have to provide additional information, as noted in the Subscription Agreement and corresponding forms. If the General Partner is aware or suspects that a Unitholder is engaged in money laundering, it is the duty of the General Partner to report to the Financial Transactions and Reports Analysis Centre of Canada. This reporting will not be a breach of privacy laws or otherwise as it is required by law.

CERTIFICATE OF ISSUER

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or omit to state a material fact that is necessary to be stated in order for the statement not to be misleading, in light of the circumstances in which it was made. The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered hereby.

Dated at Waterloo, Ontario, the 29th day of February, 2008.

STACEY MUIRHEAD CAPITAL MANAGEMENT LTD.

On its own behalf and as General Partner of Stacey Muirhead Limited Partnership.

Jeffrey D. Stacey (signed)

Jeffrey D. Stacey
President

CERTIFICATE OF PROMOTER

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or omit to state a material fact that is necessary to be stated in order for the statement not to be misleading, in light of the circumstances in which it was made. The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered hereby.

Dated at Waterloo, Ontario, the 29th day of February, 2008.

STACEY MUIRHEAD CAPITAL MANAGEMENT LTD.

Jeffrey D. Stacey
President

SCHEDULE 1.

STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

In Ontario, Quebec, Manitoba, Saskatchewan, Nova Scotia, and New Brunswick a purchaser has a statutory right of action, which is described below. These rights are in addition to, and without derogation from, any other right or remedy that purchasers may have at law. For the purposes of the following, "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

The foregoing summary is subject to the express provisions of the relevant securities legislation and the rules, regulations and other instruments thereunder in the provinces of Ontario, Quebec, Manitoba, Saskatchewan, Nova Scotia and New Brunswick, as the case may be. Those provisions may contain other limitations and statutory defences on which the Fund and any selling securityholder (as applicable) may rely.

Ontario

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Ontario and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the Fund and any selling securityholder for damages or, alternatively, while still the owner of the securities, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising this right; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- no person or company will be liable if it proves that the purchaser acquired the securities with knowledge of the Misrepresentation;
- in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- in no case will the amount recoverable in any action exceed the price at which the securities were offered under this Offering Memorandum.

Where this Offering Memorandum is delivered to a purchaser to whom securities are distributed, this right of action is applicable unless the purchaser is purchasing pursuant to the exemption for accredited investors in National Instrument 45-106:

a Canadian financial institution, meaning either:

- (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under that Act; or

- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada),
- (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Quebec and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the Fund, any selling securityholder, the officers and directors of the Fund or any dealer under contract with the Fund for damages or for rescission or revision of the price. This right of action is subject to the following limitations:

- the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the offering memorandum is filed with *autorité des marchés financiers du Québec*;
- no person or company will be liable if it proves that the purchaser acquired the securities with knowledge of the Misrepresentation; and
- in the case of an action for damages, the officers or directors of the issuer or the dealer under contract with the Fund will not be liable if they acted with prudence and diligence.

Manitoba

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Manitoba and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the Issuer, every director of the Issuer at the date of the Offering Memorandum or, alternatively, while still an owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser shall have no right of action for damages against the issuer or the directors. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- no such action may be commenced to enforce the right of action for rescission or damages more than (a) 180 days after the day of the transaction that gave rise to the cause of action, in the case of an action for rescission, or (b) the earlier of (i)

180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the day of the transaction that gave rise to the cause of action, in any other case;

- no person or company will be liable if it proves that the purchaser had knowledge of the Misrepresentation;
- in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- in no case will the amount recoverable in any action exceed the price at which the securities were offered under this Offering Memorandum.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

In addition, a person or company, other than the Issuer, will not be liable if that person or company proves that:

- the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge and consent;
- (e) 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 Issuer of the withdrawal and the reason for it;
- (f) 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; or
- (g) 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.

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.

Saskatchewan

If this Offering Memorandum or any amendment to it is sent or delivered to a purchaser resident in Saskatchewan and it contained a Misrepresentation, a purchaser who purchases a security

covered by the Offering Memorandum or any amendment to it is deemed to have relied upon that Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for rescission against the Fund or a selling securityholder on whose behalf the distribution is made or has a right of action for damages against:

the Fund or a selling securityholder on whose behalf the distribution is made;

- (h) every promoter and director of the Fund or the selling securityholder, as the case may be, at the time the Offering Memorandum or any amendment to it was sent or delivered;
- (i) 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;
- (j) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the Offering Memorandum or the amendment to the Offering Memorandum; and
- (k) every person who or company that sells securities on behalf of the Fund or selling securityholder under the Offering Memorandum or amendment to the Offering Memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

if the purchaser elects to exercise its rights of rescission against the Fund or selling securityholder, it shall have no right of action for damages against that party;

- (l) 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 securities resulting from the Misrepresentation relied on;
- (m) no person or company, other than the Fund or a selling security holder, will be liable for any part of the Offering Memorandum or any amendment to it 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 failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a Misrepresentation;
- (n) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (o) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the Misrepresentation.

In addition, no person or company, other than the Fund or selling security holder, will be liable if the person or company proves that:

the Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

- (p) with respect to any part of the Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, the part of the Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert. Similar rights of action for damages and rescission are provided in respect of a Misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

The Securities Act, 1988 (Saskatchewan), as amended, (the “Saskatchewan Act”) also provides that where an individual makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

The Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

The Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom this Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan Act.

The Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

- (q) in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended Offering Memorandum delivered in accordance with the Saskatchewan Act with a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser’s intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended Offering Memorandum.

Nova Scotia

If this Offering Memorandum, a record incorporated by reference in or deemed incorporated into this Offering Memorandum or any amendment to it or any advertising or sales literature contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the seller and, subject to additional defences, against the directors of the seller and persons who have signed this Offering Memorandum. Alternatively, the purchaser

may elect to exercise a statutory right of rescission against the seller, in which case the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- the right of action for damages or rescission is exercisable not later than 120 days after the date on which payment was made for the securities;
- no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- in the case of an action for damages, the defendant will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation; and
- in no case will the amount recoverable exceed the price at which the securities were offered to the purchaser.

New Brunswick

If any information relating to the offering of securities of the Fund which has been provided to the purchaser contains a Misrepresentation, the purchaser will be deemed to have relied upon the Misrepresentation if it was a Misrepresentation at the time of purchase and will have a statutory right of action against the Fund and a selling security holder on whose behalf the distribution is made for damages or, alternatively, for rescission, provided that no action shall be commenced to enforce a right of action more than,

- in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- in the case of any action, other than an action for rescission, the earlier of: (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

This right of action is also subject to the following limitations:

- no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- in the case of an action for damages, the defendant will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation;
- the Fund will not be liable where it is not receiving any proceeds from the distribution of the securities and the Misrepresentation was not based on information provided by the Fund unless the Misrepresentation (i) was based on information that was previously publicly disclosed by the Fund, (ii) was a Misrepresentation at the time of its previous public disclosure, and (iii) was not subsequently publicly corrected or superseded by the Fund before the completion of distribution of the securities; and
- in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the purchaser.

General

The rights of action described herein are in addition to and without derogation from any other right or remedy that the Purchaser may have at law.

EXHIBIT A

SUBSCRIPTION AGREEMENT

TO: Stacey Muirhead Limited Partnership

c/o its General Partner, Stacey Muirhead Capital Management Ltd.
20 Erb Street West, Suite 1200
Waterloo, Ontario N2L 1T2

1. Subscription. The undersigned (the "Subscriber") hereby subscribes for and agrees to purchase units (the "Units") of Stacey Muirhead Limited Partnership (the "Partnership"), a limited partnership formed pursuant to the laws of the Province of Ontario, at the applicable net asset value per Unit for an aggregate subscription price as detailed in Section 16 of this agreement and tenders herewith that amount in the form of a cheque, draft or bank wire transfer payable to the Partnership or in such other form or payable in such other manner or to such other person as specified by the Partnership. The Subscriber acknowledges that this Subscription may be accepted or rejected by Stacey Muirhead Capital Management Ltd. (the "General Partner") in its sole discretion. The completed subscription agreement together with applicable documentation required in connection with anti-money laundering and other procedures must be returned to the address set forth above. Confirmation of the acceptance or rejection of the subscription will be forwarded to the Subscriber promptly after the acceptance or rejection thereof.

2. Limited Partnership Agreement. The Subscriber hereby acknowledges and agrees that upon acceptance by the General Partner of this Subscription, the Subscriber's interest in the Partnership will be subject to the terms and conditions of the Amended and Restated Limited Partnership Agreement dated February 29, 2008 (the "Limited Partnership Agreement"). The terms and conditions of the Limited Partnership Agreement are deemed to be incorporated by reference herein.

3. Offering Memorandum. The Subscriber acknowledges that the Subscriber or, if the Subscriber is not the principal, the principal, has received, reviewed and fully understands the Amended and Restated Confidential Offering Memorandum dated February 29, 2008 (the "OM"), as amended, in connection with the offering of Units of the Partnership.

4. Representations and Warranties. The Subscriber represents and warrants to the Partnership, which representations and warranties are true and correct as of the date hereof and will be true and correct as of the date on which Units subscribed for hereunder that:

- (a) The Subscriber, or if the Subscriber is not purchasing as principal, the principal, is resident in the jurisdiction set out in Section 16 and it fully complies with the criteria set forth in Appendix "A", and has concurrently executed and delivered a Representation Letter in the form attached as Appendix "A";
- (b) If the Subscriber is a corporation, the Subscriber is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement and to observe and perform its covenants

and obligations hereunder and has taken all necessary corporate action in respect thereof;

- (c) If the Subscriber is a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Subscription Agreement and to observe and perform the covenants and obligations hereunder and has obtained all necessary authority in respect thereof;
- (d) If the Subscriber is not purchasing as principal, the Subscriber has due and proper authority to act on behalf of the principal in connection with the transactions contemplated hereby;
- (e) If the Subscriber is an individual, he or she is of the full age of majority and is legally competent to execute this Subscription and take all action pursuant thereto;
- (f) This Subscription has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber, and where the Subscriber is not purchasing as principal, the principal;
- (g) The Subscriber or, where the Subscriber is not purchasing as principal, the principal, is acquiring Units of the Partnership for investment only and not with a view to resale or distribution and will not resell or otherwise transfer or dispose of Units of the Partnership except in accordance with the provisions of the Limited Partnership Agreement and applicable securities legislation;
- (h) If required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Partnership and the General Partner in filing such reports, undertakings and other documents with respect to the issue of the Units (including, without limitation, Schedule I of Form 45-106F1, and a duly executed and completed Representation letter in the form attached as Appendix "A");
- (i) The offering and sale of Units to the Subscriber has not been made through or accompanied by any advertisement in printed public media, radio, television or telecommunications, including electronic display;
- (j) The Subscriber's decision to subscribe for and acquire Units of the Partnership has not been made as a result of any verbal or written representation as to fact or otherwise made by or on behalf of the Partnership or the General Partner, or any employee or agent of the Partnership or the General Partner, other than as set forth in the OM;
- (k) The Subscriber, or if the Subscriber is not purchasing as principal, the principal, is not a "non-resident" of Canada or a partnership other than a "Canadian partnership" for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") and, if a partnership, is a Canadian partnership for the purposes of the Tax Act;

(l) The Subscriber, or if the Subscriber is not purchasing as principal, the principal, is not a person or partnership an interest in which is a “tax shelter investment” under the Tax Act or whose interest in the Partnership, if acquired by the Subscriber, would be a “tax shelter investment” under the Tax Act; and

(m) The Subscriber, or if the Subscriber is not purchasing as principal, the principal, is not a person or partnership that would cause the partnership to become a financial institution for purposes of the Tax Act.

5. The Subscriber acknowledges and agrees that the representations and warranties in paragraphs (k) and (l) above are ongoing representations and warranties that the Subscriber is required to make.

6. Acknowledgements. The Subscriber acknowledges that:

(a) an investment in the Units is subject to certain risks which are described in the “Risk Factors” section of the OM;

(b) no federal or provincial authority has passed upon the adequacy or accuracy of the information set forth in the OM or made any representation or determination as to the fairness of the investment, or any recommendation or endorsement of the Units of the Partnership as an investment;

(c) the Subscriber has received adequate information concerning all matters which the Subscriber considers material to a decision to purchase Units of the Partnership ;

(d) the Subscriber has such knowledge and experience in financial, investment and business matters that the Subscriber is capable of evaluating the merits and risks of an investment in the Units of the Partnership and the Subscriber, or where the Subscriber is not purchasing as principal, the principal, is able to bear the economic risk or loss of its investment;

(e) the Units subscribed for hereby are being distributed under exemptions from the registration and prospectus requirements under applicable securities laws, that the Units will be subject to resale restrictions under the terms of the Limited Partnership Agreement and applicable securities laws and may not be traded except as permitted by applicable securities laws, rules, regulations and policies;

(f) as Units of the Partnership are offered solely pursuant to prospectus exemptions under applicable securities legislation, it is restricted from using most of the civil remedies available under such legislation and the Partnership is not subject to the same requirements as a fund offered by prospectus;

(g) no certificates representing Units of the Partnership will be issued unless requested by the Subscriber; and

(h) the Subscriber is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription and the transactions contemplated hereunder and the resale restrictions applicable to the Units;

- (i) the Subscriber has been notified by the General Partner of the requirement to deliver information pertaining to the Subscriber and its subscription for Units to the appropriate securities commission or other regulatory authority in Schedule I of Form 45-106F1 and in the case of Subscribers resident in Ontario, that it hereby consents to the indirect collection of information relating to the Subscription of the Ontario Securities Commission as set out in Appendix "B".

7. Survival of Representations, Warranties and Covenants. The representations, warranties and covenants of the Subscriber herein are made by the Subscriber with the intent that they are relied upon by the Partnership, the General Partner and their legal counsel, without further enquiry whatsoever, in determining its suitability as a purchaser of Units and the Subscriber hereby agrees that such representations, warranties and covenants contained herein will survive the purchase of the Units by the Subscriber pursuant to this Subscription and will continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Units. In addition, the Subscriber undertakes to immediately notify the General Partner, in writing, at the address of the Partnership first set forth above, of any change in any representation, warranty or other information relating to the Subscriber set forth herein which takes place prior to the closing of the purchase of the Units subscribed for hereby.

8. Governing Law. This Subscription will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario.

9. Entire Agreement. This Subscription contains the entire agreement of, and supersedes and replaces any and all prior agreements, arrangements, communications, correspondence, memoranda and negotiations, whether oral or written, between the parties hereto relating to the subject matter hereof, and there are no representations, warranties, covenants or other agreements, collateral terms or other conditions affecting or relating to the subject matter hereof except as stated herein, in the OM, the Limited Partnership Agreement and the documents delivered to it on the closing of the purchase of the Units on which it is entitled to rely. In the event of any conflict of inconsistency between the OM and the Limited Partnership Agreement, the Limited Partnership Agreement will prevail.

10. Further Assurances. The Subscriber agrees to execute and deliver, at the request of the General Partner, all such further completed questionnaires, documents, instruments, deeds and assurances and to carry out such acts and things as may be necessary or desirable for the purpose of giving effect to, perfecting or better evidencing any of the matters contemplated herein.

11. Choice of Language. The Subscriber hereby acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the Partnership or the offering, sale and distribution of the Units be drawn up in the English language only. Nous, soussignés, reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière la société ou à la vente de ces securities soient rédigés en anglais seulement.

12. Interpretation. Each term used in this Subscription which is not defined herein but to which is ascribed a meaning or interpretation in the Limited Partnership Agreement, has

the meaning or interpretation ascribed to that term in the Limited Partnership Agreement.

13. Enurement. This Subscription will be binding upon the Subscriber and the successors, assigns and other legal representatives of the Subscriber.

14. Time of Essence. Time is of the essence of this Subscription.

15. Execution by Counterparts. This Subscription may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document, and delivered by facsimile transmission. All counterparts will be construed together and will constitute one and the same agreement.

16. Name, Address and Notice Information.

IN WITNESS WHEREOF the Subscriber has duly executed this Subscription Agreement on the ____ day of _____, 20____. The name and address of the Subscriber is as follows:

Name of Subscriber: _____

Address: _____

Telephone number: _____ Email address: _____

Subscription Amount: \$ _____

Signature of Subscriber or Authorized Representative (Name and Title)

ACCEPTANCE BY GENERAL PARTNER

Stacey Muirhead Capital Management Ltd., in its capacity as General Partner of the Stacey Muirhead Limited Partnership, hereby accepts the Subscription.

By: _____ Date: _____

Title: _____

APPENDIX "A"

REPRESENTATION LETTER

TO: Stacey Muirhead Limited Partnership (the "Partnership")

In connection with its purchase of Units of the Partnership, the Subscriber hereby represents, warrants, covenants and certifies to the Partnership that:

1. The Subscriber is resident in Canada; and
2. The Subscriber (check all applicable categories),
 - i) subsequent to this subscription, holds Units of the Partnership which have an acquisition cost of not less than \$150,000 or has a net asset value of not less than \$150,000
 - ii) is an "accredited investor" within the meaning of National Instrument Rule 45-106 promulgated under the *Securities Act* (Ontario) by virtue of satisfying one or more of the following categories (please initial beside all applicable sections below)

"Accredited Investor" (defined in the National Instrument Rule 45-106):

- _____ (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),
- _____ (c) a subsidiary of any person referred to in paragraphs (a) or (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 the subsidiary,
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as an exempt market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- _____ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- _____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
- _____ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000,
- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements,
- _____ (n) an investment fund that distributes or has distributed its securities only to
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in the National Instrument 45-106 sections 2.10 entitled Minimum amount investment, and section 2.19 entitled Additional investment in investment funds, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of the National Instrument 45-106 entitled *Investment fund reinvestment*,
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,

- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person
 - (i) is registered or authorized to carry on business as an advisor or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
 - (ii) in Ontario, is purchasing a security that is not a security of an investment fund;
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as
 - (i) an accredited investor or,
 - (ii) an exempt purchaser in Alberta or British Columbia after this Instrument comes into force.

For the purposes hereof:

- (a) “**financial assets**” means cash, securities, or any contract of insurance or deposit or evidence thereof that is not a security for the purposes of the securities legislation;
- (b) “**person**” includes an individual, a corporation, a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;
- (c) “**related liabilities**” means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets; and

- (d) **“spouse”**, in relation to an individual, means another individual to whom that individual is married, or another individual of the opposite sex or the same sex with whom that individual is living in a conjugal relationship outside marriage.

Other terms used in this Schedule have the meaning given to them in the *Securities Act* (Ontario) and related rules. Definitions to be found there include definitions of the following terms: “affiliate”, “bank”, “control”, “control person”, “director”, “eligibility adviser”, “fully managed account”, “investment fund”, “non redeemable investment fund”, “person”, “schedule III bank”, and “subsidiary”. Reference should be made by a Subscriber to the applicable securities laws and related rules where applicable to a Subscriber.

Print Name of Subscriber

Signature

Name and Title of Signatory (if different from Subscriber)

Please see APPENDIX “B” for additional disclosure for Ontario resident subscribers

APPENDIX "B"

AUTHORIZATION OF INDIRECT COLLECTION OF PERSONAL INFORMATION FOR DISTRIBUTIONS IN ONTARIO

Schedule I of Form 45-106F1 entitled Report of Exempt Distribution which is filed with the Ontario Securities Commission contains personal information about purchasers and details of the number and type of securities purchased. Stacey Investment Limited Partnership (the "issuer") hereby notifies the Subscriber of the following:

- i) of the delivery to the Ontario Securities Commission of the information pertaining to the purchaser as set out in Schedule I,
- ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
- iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
- iv) questions about the Ontario Securities Commission's indirect collection of the information can be directed to:

Ontario Securities Commission
19th Floor, P.O. Box 55
20 Queen Street West,
Toronto, Ontario M5H 3S8

Attention: Administrative Assistant to the Director of Corporate Finance
Telephone: (416) 593-8086