*This Confidential Offering Memorandum (the "**Offering Memorandum**") constitutes a continuous offering of limited partnership units (the "**Units**") of Stacey Muirhead Limited Partnership (the "**Partnership**") as described herein, on a private placement basis only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the securities offered hereunder. This Offering Memorandum is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities. No person is authorized to give any information or 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.*

STACEY | MUIRHEAD
CAPITAL MANAGEMENT

CONFIDENTIAL OFFERING MEMORANDUM

STACEY MUIRHEAD LIMITED PARTNERSHIP

Continuous Offering **July 26, 2017**

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

Stacey Muirhead Limited Partnership (the "Partnership") is an investment fund established as an open–ended limited partnership under the laws of the Province of Ontario. The Partnership was established on December 20, 1993 and is governed by the amended and restated limited partnership agreement dated July 26, 2017 (the "Limited Partnership Agreement"), as may be further amended and restated from time to time between SMGP LP, the general partner of the Partnership, in its own capacity by its general partner 2584556 Ontario Inc. and on behalf of the limited partners of the Partnership. Stacey Muirhead Capital Management Ltd. ("Stacey" or the "Manager") is the investment fund manager and portfolio manager of the Partnership.

The investment objective of the Partnership is to utilize the investment philosophy of Stacey to maximize the average annual after–tax return on contributed capital for limited partners of the Partnership over the long term while minimizing the risk of permanent impairment of capital. Specifically, over long measurement periods, Stacey seeks to:

- Deliver real absolute returns after fees and taxes
- Outperform the Morgan Stanley Capital International World Index (MSCI) including dividends
- Achieve acceptable performance when compared to competitive alternatives to the Partnership.

Please see "*Investment Objective of the Partnership*".

The Partnership is a related and connected issuer of Stacey under securities legislation, the investment manager of the Partnership and an affiliate of the General Partner. Stacey receives a management fee from the Partnership for its investment fund management and portfolio management services. The General Partner is entitled to receive distributions from the Partnership. Stacey also acts as an exempt market dealer with respect to the Units and offers the Units on a private placement basis to qualified investors under applicable securities legislation. There is no commission payable to Stacey in its capacity as an exempt market dealer in respect of Units purchased directly by a subscriber. Stacey also acts as the fund administrator for the Partnership but does not receive a fee for providing these services to the Partnership. See "*Conflicts of Interest*" in this Offering Memorandum.

Investments in the Partnership are represented by units (the "Units"), which are limited partnership units of the Partnership. The offering consists of Units being offered on a continuous basis to qualified investors in the Offering Jurisdictions pursuant to available prospectus exemptions in accordance with applicable securities legislation in the Offering Jurisdictions and provided that Stacey has the relevant registrations under applicable securities legislation in the Offering Jurisdictions in which Units are being offered. The offering of Units pursuant to this Offering Memorandum is limited to investors (a) who are accredited investors; (b) non–individual investors that invest a minimum of $150,000 in the Partnership; or (c) to whom Units may otherwise be sold. Please see "*The Offering*".

The Net Asset Value of the Partnership shall be the value of the assets of the Partnership in accordance with the Limited Partnership Agreement at the time the calculation is made less the amount of its liabilities at that time. The Net Asset Value per Unit shall be the quotient obtained by dividing the amount equal to the Net Asset Value of the Partnership by the total number of outstanding Units, including fractions of Units. The Net Asset Value of the Partnership and the Net Asset Value per Unit shall be computed by Stacey, as herein provided as at the Close of Business on every Valuation Date.

Disclaimers

Potential investors should pay particular attention to the information under "*Risk Factors*" in this Offering Memorandum. An investment in the securities described herein requires the financial ability and willingness to accept certain risks. No assurance can be given that the investment objective of the Partnership will be achieved or that investors will receive a return of their investment.

The securities described herein are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act*, are not insured under the provisions of that act or any other legislation, and are not guaranteed. Under applicable laws, resale of the Units may be subject to indefinite restrictions, other than an exemption.

Units are only being distributed to investors resident in certain provinces of Canada pursuant to available prospectus exemptions under the securities laws of those provinces. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition and disposition of Units under securities legislation. The Units will be subject to the applicable resale restrictions under those laws. The Units are also subject to resale restrictions under the Limited Partnership Agreement. See "*Transfer or Resale*".

There is no market through which the Units may be sold and none is expected to develop. Redemptions may be limited and/or suspended and redemption proceeds may be paid partly in cash and partly in kind under certain circumstances. There are no redemption fees payable on redemption of Units.

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to who it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the Units offered hereby.

Investors should consult their own professional advisers to assess the income tax, legal and other aspects of making an investment in the Units. Investors are urged to carefully review the Limited Partnership Agreement and this Offering Memorandum.

The Units will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by

Stacey and the Partnership. Any subscription for Units made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of such person. Neither the delivery of this Offering Memorandum at any time nor any sale to investors of any of the Units shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Partnership since the date of the sale to any investor of the securities offered hereby or that the information contained herein is correct as of any time subsequent to that date.

FORWARD LOOKING INFORMATION

The disclosure in this Offering Memorandum or in materials deemed to be incorporated into this Offering Memorandum, regarding the investment strategies and intentions of the Partnership, may constitute "forward–looking information" for the purpose of applicable securities legislation, as it may contain statements of Stacey's intended course of conduct and future operations of the Partnership.

These statements are based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. Similarly, a "financial outlook" is forward-looking information about prospective results of operations, financial position or cash flows that is based on assumptions about future economic conditions and courses of action that is not presented in the format of a historical balance sheet, income statement or cash flow statement. Economic and market conditions may change, which may materially impact the success of Stacey's intended strategies as well as its actual course of conduct. Investors are urged to read "*Risk Factors*" for a discussion of other factors that will impact the operations and success of the Partnership.

TABLE OF CONTENTS

SUMMARY

The following is a summary of the terms and conditions of an investment in the Partnership, and is qualified in its entirety by the more detailed information contained in this Offering Memorandum and the Limited Partnership Agreement. ***Unless otherwise defined, capitalized terms used in the Summary have the same meaning as in the Glossary****.*

The Partnership: Stacey Muirhead Limited Partnership is an investment fund established as an open–ended limited partnership under the laws of the Province of Ontario and became a partnership by filing a Declaration of Limited Partnership under the Partnership Act on December 20, 1993. The Partnership is governed by the Limited Partnership Agreement.

Please see "*The Partnership*" and "*Organization and Management Details of the Partnership*".

General Partner SMGP LP. Please see "*General Partner*".

Investment Fund Manager and Portfolio Manager: Stacey Muirhead Capital Management Ltd.

Please see "*Organization and Management Details of the Partnership*".

Investment Objective of the Partnership: The investment objective of the Partnership is to utilize the investment philosophy of Stacey (the "**Investment Philosophy**") to maximize the average annual after–tax return on contributed capital for Limited Partners over the long term while minimizing the risk of permanent impairment of capital. Specifically, over long measurement periods, Stacey seeks to:

- Deliver real absolute returns after fees and taxes
- Outperform the Morgan Stanley Capital International World Index (MSCI) including dividends
- Achieve acceptable performance when compared to competitive alternatives to the Partnership

Please see "*Investment Objective of the Partnership*".

Investment Strategies of the Partnership: The Partnership's Investment Philosophy is based on a global, value oriented, multi strategy 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 Stacey.

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, currency futures, 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. 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.

Please see "*Investment Strategies of the Partnership*".

The Offering: Investments in the Partnership are represented by Units, which are limited partnership units of the Partnership. The offering consists of Units being offered on a continuous basis to qualified investors in the Offering Jurisdictions pursuant to available prospectus exemptions in accordance with applicable securities legislation in the Offering Jurisdictions and provided that Stacey has the relevant registrations under applicable securities legislation in the Offering Jurisdictions in which Units are being offered.

The offering of Units pursuant to this Offering Memorandum is limited to investors (a) who are accredited investors; (b) non–individual investors that invest a minimum of $150,000 in the Partnership; or (c) to whom Units may otherwise be sold.

Please see "*The Offering*".

Subscription Price: The Units are offered at a subscription price equal to the Net Asset Value per Unit on the relevant Valuation Date.

Please see "*The Offering*" and "*Calculation of Net Asset Value*".

Subscriptions: The Units are offered at a subscription price equal to the Net Asset Value per Unit on the immediately preceding Valuation Date.

Units may be purchased as of any Subscription Date. Subscriptions will be processed and Units will be issued on the first day of each month (the "**Subscription Date**") at the Net Asset Value per Unit on that Valuation Date immediately preceding the Subscription Date.

There are no commissions, fees or charges payable to the Partnership or Stacey upon the purchase of Units.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned immediately after such decision has been made without interest or deduction. Purchasers may forward completed Subscription Agreements directly to the Stacey.

Please see "*The Offering – Subscription Procedure*".

Minimum Individual Subscription: The minimum initial investment amount for the Units is $150,000. Stacey may in its sole discretion waive, reduce or increase the initial minimum investment amount and/or the additional investment amount for investors at any time, subject to applicable laws.

Additional investments may be made in any amount or such minimum additional investment amount required by securities legislation. For investors who are not accredited investors, an additional investment may be made in the

Partnership provided that (a) the investor initially acquired Units for an acquisition cost of not less than $150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a Net Asset Value equal to at least $150,000; or (b) another exemption is available.

Please see "*The Offering – Minimum Investment Amounts and Additional Investment Amounts*".

Redemptions: Redemptions of Units are generally permitted on a monthly basis as at any Redemption Date. Limited Partners should send a written notice of redemption prior to 4:00 p.m. (ET) on the last business day prior to the Redemption Date provided however that Stacey has the right to waive or vary the cut–off time at its sole discretion. Any request for redemption entered after such time will be processed on the next Valuation Date at the then calculated Net Asset Value per Unit unless otherwise determined by Stacey in its sole discretion.

No redemption fees are payable with respect to the redemption of the Units.

Redemption proceeds shall be paid in cash as soon as practicable and no later than fifteen (15) Business Days following such Redemption Date.

Redemption requests are irrevocable unless they are not honoured on the designated Redemption Date, in which case they may be withdrawn within fifteen (15) days following such Redemption Date and unless the General Partner in its sole discretion agrees to revoke a redemption request.

Redemptions may be suspended in whole or in part in certain circumstances at the sole discretion of the General Partner as described in below under "*Suspension of Redemptions*".

The General Partner has have the right to require such Limited Partner to redeem Units of the Partnership at its own discretion.

Please see "*Redemptions*".

Calculation of Net Asset Value: The Net Asset Value of the Partnership shall be the value of the assets of the Partnership in accordance with the Limited Partnership Agreement at the time the calculation is made less the amount of its liabilities at that time. The Net Asset Value per Unit shall be the quotient obtained by dividing the amount equal to the Net Asset Value of the Partnership by the total number of outstanding Units, including fractions of Units. The Net Asset Value of the Partnership and the Net Asset Value per Unit shall be computed by Stacey, as herein provided as at the Close of Business on every Valuation Date. Please see "*Calculation of Net Asset Value*".

Management Fee: As compensation for investment fund management and portfolio management services provided to the Partnership, a management fee will be payable monthly to Stacey at a maximum annual rate of 1% of the aggregate Net Asset Value of the Partnership. The management fee is subject to applicable taxes, including HST and/or GST, as applicable. Such management fee will be deducted as an expense of the Partnership in the calculation of the Net Profit or Net Losses of

the Partnership.

Stacey reserves the right to decline any or all or otherwise reimburse to the Partnership such management fee owing or paid at any time**.** Additionally, Stacey reserves the right to pay any portion of any management fee received by it at any time to any Limited Partner as a rebate of the amount paid by such Limited Partner for investment fund management and portfolio management services.

Please see "*Fees and Expenses –Management Fee*".

Allocation of Profit and Loss:

The Net Profit and Net Losses of the Partnership shall be allocated on an annual basis to the General Partner (as to 0.1% of such amounts and any Performance Allocation) and to the Limited Partners (as to the remainder). The Limited Partners' share of the Net Profit and Net Losses of the Partnership shall be allocated to Limited Partners in proportion to their ownership of Units.

Net losses, if any, of the Partnership shall be borne by the Partners in the same proportions set forth above provided that the losses to be borne by each Limited Partner shall be limited to the extent of their capital contribution. Any additional losses in any year shall be allocated to the General Partner.

Please see "*Allocation of Profit and Loss*".

Performance Allocation

The General Partner shall be allocated a portion of the Net Profit of the Partnership for a particular period if the Net Asset Value of the Partnership at the Valuation Date exceeds the High Water Mark for compensation for the performance of its duties as general partner of the Partnership.

The Performance Allocation as at the last Valuation Date of a Fiscal Year is calculated as follows: the difference, when the Closing High Water Mark per Unit is subtracted from the Pre-Performance Net Asset Value per Unit, is multiplied by the number of Units issued and outstanding as at the last Valuation Date of the fiscal year multiplied by the Performance Allocation Rate. If the result of this calculation is zero, or less than zero, the Performance Allocation for the Fiscal Year is $nil. If the Partnership has issued multiple classes of Units, the Performance Allocation will be the sum of the Performance Allocation calculated for each class of Units.

Please see "*Allocation of Profit and Loss – Performance Allocation*".

Expenses:

The Partnership shall be responsible for all expenses, and the General Partner shall be entitled to reimbursement from the Partnership for all costs actually incurred by it (or by any person to whom the General Partner has assigned or delegated any of its duties), in connection with the formation and organization of the General Partner and the Partnership and the ongoing activities of the Partnership:

(a) third party fees and expenses of the Partnership, which include Stacey's management fees, administrator's fees, fees and

expenses payable to members of the independent review committee of the Partnership (if any), accounting costs, legal and audit fees, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communication expenses, organizational expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and

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

Please see "*Fees and Expenses – Expenses*".

Dealer Compensation: Stacey acts as the exempt market dealer of the Partnership, and offers the Units on a private placement basis. There is no commission payable to Stacey in its capacity as an exempt market dealer in respect of Units purchased directly by a subscriber.

Please see "*Dealer Compensation*".

Reports to Limited Partners: Within ninety (90) days after the end of each fiscal year, Stacey will forward to each Limited Partner, an annual report for such fiscal year consisting of (i) audited financial statements for such fiscal year together with a report of the auditors on such financial statements; and (ii) tax information to enable each Limited Partner to properly complete and file tax returns in Canada in relation to an investment in Units.

Within sixty (60) days following the end of the first six months of each fiscal year, Stacey will forward to each Limited Partner unaudited semi-annual financial statements.

See "*Reports to Unitholders"*.

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. Net Profits of the Partnership allocated to the Limited Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the sole discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an amount insufficient to discharge the liabilities of the Partnership to persons who are not the General Partner or a Limited Partner. Limited Partners should be aware that net income and capital gains of the Partnership, if any, will still be allocated to them for tax purposes even if no distributions of cash are received by them.

The Performance Allocation will be distributed to the General Partner on the

	last Valuation Date of each Fiscal Year. Please see "*Distributions*".
Fiscal Year End:	December 31st in each year.
Eligibility for Investment:	**Units of the Partnership will not be qualified investments for trusts governed by Tax Deferred Plans.** Please see "*The Offering – Eligible Investors*".
Tax Considerations:	**Prospective Unitholders should consider carefully all of the potential tax consequences of an investment in the Units and should consult with their tax advisor before subscribing for Units**. See "*Certain Canadian Federal Income Tax Considerations"*.
Transfer or Resale of Units:	As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements of applicable securities legislation, the resale of these securities by qualified investors is subject to restrictions. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the Units. Any transfer by Limited Partners of their Units is prohibited by the Limited Partnership Agreement, except in the case whereupon his or her Units are assigned by operation of law and, upon satisfaction of the conditions set forth in the Limited Partnership Agreement, his or her assignee shall become a Limited Partner. Stacey also has the right to approve a transfer of Limited Partner's Units, if such transfer in the opinion of Stacey will not have an adverse effect on the rights of any 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 Limited Partnership Agreement, or otherwise acquire any rights of a Limited Partner whatsoever, and Stacey shall treat any such transaction as not having occurred. Please see "*Transfer or Resale*" and "*Legal Matters – Purchase and Resale Restrictions*".
Release of Confidential Information:	Under applicable securities and anti–money laundering legislation, Stacey is required to collect and may release confidential information about Limited Partners and, if applicable, about the beneficial owners of Limited Partners that are entities, to regulatory or law enforcement authorities. Please see "*Anti–Terrorism and Anti–Money Laundering Legislation*".
Risk Factors:	**Investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment techniques used by Stacey.**

	Please see "*Risk Factors*".
Auditor:	Ernst & Young LLP, London, Ontario.
Fund Administrator:	Stacey Muirhead Capital Management Ltd., Waterloo, Ontario.
Prime Broker:	TD Securities Inc., Toronto, Ontario.

GLOSSARY

"**Anti–Money Laundering Laws**" has the meaning assigned under "*Anti–Terrorism and Anti–Money Laundering Legislation*";

"**Auditor**" means the auditor of the Partnership, and as of the date of this Offering Memorandum is Ernst & Young LLP, London, Ontario;

"**Average Risk Free Rate of Return**" has the meaning assigned under "*Allocation of Profit and Loss – Performance Allocation*".

"**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;

"**Bankruptcy**" means the institution of any proceedings under laws in force in the Province of Ontario for relief of debtors, including filing of voluntary or involuntary petition of bankruptcy or the adjudication as insolvent or bankrupt, or the assignment of the person's property for the benefit of creditors, or the appointment of a receiver, receiver–manager, trustee or liquidator of any substantial portion of the person's assets or the seizure by a sheriff, receiver, receiver–manager, trustee or liquidator of any substantial portion of the person's assets, and the failure, in the case of any of these events, to obtain the dismissal of the proceeding or removal of the liquidator, receiver, receiver–manager or trustee within thirty (30) days of the event;

"**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario;

"**Close of Business**" means the time at which trading ceases on the TSX on a particular date, or when used in connection with the valuation of a particular security not listed on the TSX, such term shall mean the time at which trading ceases in the relevant market for such security;

"**Closing High Water Mark per Unit**" has the meaning given to it in "*Allocation of Profit and Loss – Performance Allocation*";

"**Committee**" means a committee which shall act by majority vote constituted for the purposes described in the Limited Partnership Agreement, composed of one or more persons who shall initially be designated by the General Partner. The General Partner may fill vacancies in the Committee, provided that the composition of the Committee may be changed by Extraordinary Resolution of the Limited Partners at any time;

"**CRA**" means the Canada Revenue Agency;

"**Deemed Removal**" means the occurrence of any of the following events as to the General Partner:

(i) the Bankruptcy of the General Partner or the Bankruptcy of the general partner of the General Partner if the General Partner is a limited partnership; or

(ii) in the case of a General Partner that is a corporation, upon the filing of a certificate of dissolution, or its equivalent, for the corporation, or the revocation of its charter; or

(iii) in the case of a General Partner that is a limited partnership the dissolution of such limited partnership;

"**Extraordinary Resolution**" means:

(i) a resolution passed by Limited Partners holding, in the aggregate, not less than 66⅔% of the aggregate number of Units held by those Limited Partners who vote in person or by proxy at a duly convened meeting of Partners or any adjournment thereof; or

(ii) a written resolution in one or more counterparts consented to in writing by Limited Partners holding, in the aggregate, not less than 66⅔% of the aggregate number of Units held by those Partners who are entitled to vote;

"**Fiscal Year**" has the meaning given to it in "*Summary of the Limited Partnership Agreement – Fiscal Year*";

"**GAAP**" means the generally accepted accounting principles including International Financial Reporting Standards, as applicable, to publicly accountable enterprises in Canada and set out in the Chartered Professional Accountants of Canada Handbook;

"**General Partner**" means SMGP LP, the general partner of the Partnership;

"**High Water Mark**" includes the Closing High Water Mark per Unit and the Opening High Water Mark per Unit;

"**IGA**" means the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada–U.S. Tax Convention entered into between Canada and the U.S.;

"**Initial Subscription Price per Unit"** means the initial price for the Units of a Class on the first Subscription Date for such Units of that Class;

"**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 Management Agreement**" has the meaning ascribed to it under "*The Manager*".

"**Investment Philosophy**" has the meaning assigned under "*Investment Objective of the Partnership*";

"**Liabilities**" means those obligations which under GAAP would be included as liabilities on a balance sheet;

"**Limited Partners**" means each person who from time to time executed the Limited Partnership Agreement or a counterpart hereof, or agrees to be bound to the Limited Partnership Agreement as a subscriber for or transferee of one or more units or who otherwise becomes a Limited Partner in accordance with the terms hereof, and a reference to a "**Limited Partner**" will be to any one of the Limited Partners;

"**Limited Partnership Agreement**" means the amended and restated limited partnership agreement dated as of July 26, 2017 between SMGP LP, as the General Partner of the Partnership entered into by 2584556 Ontario Inc. as general partner of the General Partner, and the SMGP LP on behalf of the Limited Partners, from time to time, as it may be amended and restated from time to time;

"**Manager**" means Stacey Muirhead Capital Management Ltd. as the investment fund manager and portfolio manager of the Partnership;

"**Material Facts**" has the meaning assigned under each Offering Jurisdiction's respective securities legislation, but generally means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Units;

"**Misrepresentation**" has the meaning assigned under each Offering Jurisdiction's respective securities legislation, but generally means, an untrue statement of a Material Fact, or an omission to state a Material Fact that is required to be stated, or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

"**Net Asset Value**" means the net asset value of the Partnership as calculated under "*Calculation of Net Asset Value*";

"**Net Asset Value per Unit**" means the Net Asset Value of the Partnership divided by the number of outstanding Units as at such time;

"**Net Profit**" of the Partnership for any period means (i) the sum of Partnership income earned by the Partnership, which typically consists of, but is not limited to, interest, dividends, realized and unrealized gains on investments, and foreign currency exchange gains accrued during such period, less (ii) the sum of expenses which typically consist of, but is not limited to, expenses under "*Fees and Expenses – Expenses*" and realized and unrealized losses on investments and foreign currency exchange losses, accrued during such period; provided that if the foregoing results in a negative amount, such amount shall be referred to herein as "**Net Losses**" of the Partnership;

"**NI 33–105**" means National Instrument 33–105 – *Underwriting Conflicts* of the Canadian Securities Administrators, as amended or replaced from time to time;

"**NI 45–106**" means National Instrument 45–106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended or replaced from time to time;

"**NI 81–106**" means National Instrument 81–106 – *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators, as amended or replaced from time to time;

"**Offering Jurisdictions**" means all of the provinces and territories in Canada where the Units are being offered on a continuous basis to qualified investors pursuant to available prospectus exemptions in accordance with applicable securities legislation in such jurisdictions, and provided that Stacey has the relevant registrations under applicable securities legislation in such jurisdictions;

"**Opening High Water Mark per Unit**" has the meaning given to it in "*Allocation of Profit and Loss – Performance Allocation*";

"**Partners**" means, collectively, the General Partner and the Limited Partners;

"**Partnership**" means Stacey Muirhead Limited Partnership;

"**Partnership Act**" means the *Limited Partnerships Act* (Ontario), as amended, re–enacted or replaced from time to time;

"**Performance Allocation**" has the meaning given to it in "*Allocation of Profit and Loss – Performance Allocation*";

"**Performance Allocation Rate**" has the meaning given to it in "*Allocation of Profit and Loss – Performance Allocation*";

"**Pre-Performance Net Asset Value or Unit of the Partnership**" has the meaning given to it in "*Allocation of Profit and Loss – Performance Allocation*";

"**Redemption Date**" means the first day of each month and such other date(s) as the General Partner may in its discretion designate;

"**Risk Free Rate of Return**" has the meaning given to it in in "*Allocation of Profit and Loss – Performance Allocation*";

"**Stacey**" means Stacey Muirhead Capital Management Ltd., the investment fund manager, portfolio manager, and exempt market dealer of the Partnership;

"**Subscription Agreement**" means the subscription agreement and power of attorney executed by a Limited Partner to acquire Units of the Partnership;

"**Subscription Date**" means the first Business Day of a month or such other day at the discretion of the General Partner;

"**Tax Act**" means the *Income Tax Act* (Canada), and the policies, rules and regulations thereunder, as amended from time to time;

"**Tax Deferred Plans**" means registered retirement savings plans, registered retirement income funds, registered disability savings plans, tax free savings accounts, registered education savings plans and deferred profit sharing plans;

"**TSX**" means the Toronto Stock Exchange;

"**Unit**" means a limited partnership unit issued by the Partnership, and "**Units**" means more than one Unit; and

"**Valuation Date**" means the last Business Day of each month, or any Business Day the General Partner may designate at its discretion. In the event that any date for which is not a Business Day, such valuation shall be made as of the close of first Business Day immediately preceding such date.

THE PARTNERSHIP

Stacey Muirhead Limited Partnership is an investment fund established as an open–ended limited partnership under the laws of the Province of Ontario and became a partnership by filing a Declaration of Limited Partnership under the Partnership Act on December 20, 1993. The Partnership is governed by the Limited Partnership Agreement. The Limited Partnership Agreement may be inspected at the head office of Stacey during business hours on any Business Day.

The general partner of the Partnership is SMGP LP. The general partner of SMGP is 2584556 Ontario Inc. an Ontario corporation wholly owned and controlled by Jeffrey D. Stacey.

The investment fund manager, portfolio manager and exempt market dealer of the Partnership is Stacey Muirhead Capital Management Ltd.

The principal office of the Partnership and Stacey is located at 20 Erb Street West, Suite 1200, Waterloo, Ontario, N2L 1T2.

INVESTMENT OBJECTIVE OF THE PARTNERSHIP

The investment objective of the Partnership is to utilize the investment philosophy of Stacey (the "**Investment Philosophy**") to maximize the average annual after–tax return on contributed capital for Limited Partners over the long term while minimizing the risk of permanent impairment of capital. Specifically, over long measurement periods, Stacey seeks to:

- Deliver real absolute returns after fees and taxes
- Outperform the Morgan Stanley Capital International World Index (MSCI) including dividends
- Achieve acceptable performance when compared to competitive alternatives to the Partnership

INVESTMENT STRATEGIES OF THE PARTNERSHIP

The Partnership's Investment Philosophy is based on a global, value oriented, multi strategy 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 Stacey.

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, currency futures, 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. **Long Term Investments** – 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 Stacey.

2. **Event Driven Investments** – Event Driven Investing involves the pursuit of profits from an announced corporate event such as the sale, merger, recapitalization, reorganization or liquidation of a company. It can also involve spinoffs and self tender offers by a company or other event

specific special situations. Stacey only participates in Event Driven Investments that have been publicly announced. Where possible, Stacey attempts to reduce risk through some sort of hedge.

3. **Distressed Credit Investments** – The Partnership makes commitments to high yield and distressed positions. High yield commitments involve purchasing a security that is meeting its interest or dividend obligations but is available for purchase at a distressed price that provides an extremely attractive annual yield. Distressed position commitments involve the purchase of a security in an issuer that has already defaulted on one or more of its obligations but is available at a price that ensures a significant margin of safety when the issuer reorganizes its affairs.

4. **Cash and Other Net Assets** – Rather than deploying Partnership capital into opportunities that Stacey considers to be of inferior quality or with unfavourable risk reward characteristics, Stacey will keep such excess capital in cash and cash equivalents, usually short term treasury bills, while continuing to search for superior return opportunities into which to allocate Partnership capital. On occasion, Stacey may purchase longer term government bonds as well. In addition, Stacey will consider all viable methods to reduce Partnership risks associated with adverse movements in foreign exchange values, equity prices, interest rates and any other risks that can be identified. This includes the purchase or sale of various derivative instruments from time to time.

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 investment (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 Asset Value of the Partnership to be less than 2/3 of the sum of the Liabilities and the Net Asset Value of the Partnership.

ORGANIZATION AND MANAGEMENT DETAILS OF THE PARTNERSHIP

The General Partner

The General Partner is a limited partnership formed under the laws of the Province of Ontario under the *Limited Partnership Act* (Ontario) on July 4, 2017. The General Partner may act as general partner of other limited partnerships, but does not presently carry on any other business operations and currently has no significant assets or financial resources. The general partner of the General Partner is 2584556 Ontario Inc., a corporation formed under the laws of Ontario under the *Business Corporations Act* (Ontario) on June 26, 2017. Jeffrey Stacey is the only shareholder, director and officer of the general partner of the General Partner. Jeffrey Stacey, the Manager and certain employees of the Manager, from time to time, will be limited partners of the General Partner. Certain Limited Partners may from time to time directly or indirectly own interests of the General Partner. The General Partner may also become a Limited Partner by purchasing Units.

The General Partner is responsible for the management and control of the business and affairs of the Partnership on a day-to-day basis in accordance with the terms of the Limited Partnership Agreement but has engaged Stacey to provide investment advisory and certain management and administrative services to the Partnership, including management of the Partnership's portfolio and distribution of the Units of the Partnership. The General Partner remains responsible for supervising Stacey's activities on behalf of the Partnership. In exchange for its services, the General Partner will receive a share of Partnership

profits. See "*Allocation of Profits and Losses*". Pursuant to the Limited Partnership Agreement 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 Limited Partnership Agreement.

The Manager

Stacey Muirhead Capital Management Ltd. is the investment fund manager, portfolio manager and exempt market dealer of the Partnership pursuant to an investment management agreement between the Partnership and Stacey dated July 26, 2017 (the "**Investment Management Agreement**"). Stacey Muirhead Capital Management Ltd. is incorporated under the *Business Corporations Act* (Ontario) and was previously named Jeffrey D. Stacey & Associates Ltd. and changed its name on December 1, 2007.

Stacey is registered as an investment fund manager, portfolio manager and exempt market dealer with the Ontario Securities Commission, and as a portfolio manager and exempt market dealer with the Alberta Securities Commission.

Stacey is responsible for certain management and administrative services to the Partnership, including directing the business, operations and affairs of the Partnership, management of the Partnership's portfolio and distribution of the Units of the Partnership. Stacey has provided all investment fund management and portfolio management services to the Partnership since it commenced operations in 1994.

The following individual is principally responsible for the portfolio management of the Partnership:

Jeffrey D. Stacey, *Chairman and Chief Executive Officer*

Jeffrey Stacey is the Founder of Stacey and has over 30 years of investment industry experience. Prior to starting Stacey, he was employed with a boutique Toronto investment firm where he was also a shareholder.

Summary of Investment Management Agreement

Pursuant to the Investment Management Agreement, Stacey has exclusive authority to manage the business, operations and affairs of the Partnership on a continuing basis, 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. Stacey as investment fund manager of the Partnership 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 investment fund manager in comparable circumstances.

The Investment Management Agreement may be terminated by mutual agreement at any time or by either party on not less than 30 days' prior written notice to the other party or by any party by written notice taking immediate effect if the other party is in breach of any of the terms of the Investment Management Agreement and has not remedied the breach within 15 days of receipt of written notice disclosing and requiring the breach to be remedied.

THE OFFERING

Investments in the Partnership are represented by Units, which are limited partnership units of the Partnership. The offering consists of Units being offered on a continuous basis to qualified investors in the Offering Jurisdictions pursuant to available prospectus exemptions in accordance with applicable securities legislation in the Offering Jurisdictions and provided that Stacey has the relevant registrations under applicable securities legislation in the Offering Jurisdictions in which Units are being offered. Fractional Units may be issued up to 1/1000th of a Unit.

The offering of Units pursuant to this Offering Memorandum is limited to investors (a) who are accredited investors; (b) non–individual investors that invest a minimum of $150,000 in the Partnership; or (c) to whom Units may otherwise be sold.

Purchasers will be required to make certain representations in the Subscription Agreement and Stacey will rely on such representations to establish the availability of the exemptions from prospectus requirements described above.

Stacey reserves the right in its sole discretion, to accept or reject subscriptions in whole or in part, or to discontinue or suspend the offering of Units at any time and from time to time.

Minimum Investment Amounts and Additional Investment Amounts

The minimum initial investment amount for the Units is $150,000. Stacey may in its sole discretion waive, reduce or increase the initial minimum investment amount and/or the additional investment amount for investors at any time, subject to applicable laws.

Additional investments may be made in any amount or such minimum additional investment amount required by securities legislation. For investors who are not accredited investors, an additional investment may be made in the Partnership provided that (a) the investor initially acquired Units for an acquisition cost of not less than $150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a Net Asset Value equal to at least $150,000; or (b) another exemption is available.

The offering is not subject to any minimum aggregate subscription level, and therefore any monies invested are available to the Partnership and need not be refunded to the subscriber.

Eligible Investors

Units of the Partnership will not be qualified investments for trusts governed by Tax Deferred Plans.

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–Canadian" 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 (collectively, a "**prohibited investor**"), or if he, she or it transfers his interest to a prohibited investor, such Limited Partner, or such transferee, as the case may be, is required to notify Stacey in advance of any such change in such Limited Partner or status or residency. Any Limited Partner whose status changes with respect to the representations and warranties set out above shall be deemed to have ceased to be a Limited Partner (for all purposes other than the for certain purposes as specifically described in the Limited Partnership Agreement), immediately prior to the date on which such status changes and shall thereafter only be entitled to receive

from the Partnership an amount equal to the lesser of the Net Asset Value of such Limited Partner's Units as at the date on which he, she or it ceases to be a Limited Partner and the Net Asset Value of such Units as at the date the General Partner learns that such Limited Partner's status has changed, less all such deductions as provided in the Limited Partnership Agreement as if such Limited Partner voluntarily redeemed his or her Units. 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 (including legal fees) incurred by them, or any of them, as a result of such change in status or residency. Stacey shall not be required to accept a subscription by or approve a transfer to a prohibited investor.

In the event that a Limited Partner fails to promptly provide evidence that his status is as so represented, Stacey 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.

Subscription Price

The Units are offered on each Subscription Date at a subscription price equal to the Net Asset Value per Unit on the immediately preceding Valuation Date.

Subscription Procedure

Subscriptions for Units must be made by completing and executing the subscription form and power of attorney (the "**Subscription Agreement**") provided by the General Partner and any other account opening documents the General Partner may provide and by forwarding to Stacey such form(s) together with a cheque payable to "Stacey Muirhead Limited Partnership" or such other payee as may be specified by Stacey or its designate, or by way of electronic funds transfer, representing payment of the subscription price. Subscription orders may be sent to Stacey by courier, priority post, or electronic means as Stacey may specify from time to time. Subscription funds provided prior to a Valuation Date will be kept in a segregated account.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned immediately after such decision has been made without interest or deduction. Purchasers may forward completed Subscription Agreements directly to Stacey.

Units may be purchased as of any Subscription Date. Subscriptions will be processed and Units will be issued on the first day of each month (the "**Subscription Date**") at the Net Asset Value per Unit on that Valuation Date immediately preceding the Subscription Date.

No subscription will be accepted unless Stacey is satisfied that the subscription is in compliance with applicable securities legislation. There are no commissions, fees or charges payable to the Partnership or Stacey upon the purchase of Units.

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

REDEMPTIONS

Redemptions of Units are generally permitted on a monthly basis as at any Redemption Date. Limited Partners should send a written notice of redemption prior to 4:00 p.m. (ET) on the last business day prior to the Redemption Date provided however that the General Partner has the right to waive or vary the cut–off time at its sole discretion. Any request for redemption entered after such time will be processed on the next Valuation Date at the then calculated Net Asset Value per Unit unless otherwise determined by Stacey in its sole discretion.

No redemption fees are payable with respect to the redemption of the Units.

Redemption proceeds shall be paid in cash as soon as practicable and no later than fifteen (15) Business Days following such Redemption Date.

Redemption requests are irrevocable unless they are not honoured on the designated Redemption Date, in which case they may be withdrawn within fifteen (15) days following such Redemption Date and unless the General Partner in its sole discretion agrees to revoke a redemption request.

Redemptions may be suspended in whole or in part in certain circumstances at the sole discretion of the General Partner as described in below under "*Suspension of Redemptions*".

The General Partner has the right to require such Limited Partner to redeem Units of the Partnership at its own discretion.

Suspension of Redemptions

The right to receive payment upon redemption may be suspended wholly or partially for a period of up to six months if Stacey 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.

In addition, the General Partner may suspend the determination of valuations of the Partnership's assets or assets of any Class for any period described below (any such event, a "**Market Emergency**") where principal markets or exchanges upon which a material portion of the assets of the Partnership attributable to one or more class(es) of Units are closed, aside from ordinary weekend and holiday closings, or during which period dealings are substantially restricted or suspended. The General Partner will notify Limited Partners of any such suspension. At the conclusion of any such period, the General Partner (or its delegate) shall value the Partnership's assets on the next Valuation Date as soon as it is reasonably practicable to do so.

TRANSFER OR RESALE

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements of applicable securities legislation, the resale of these securities by qualified investors is subject to restrictions. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the Units.

Limited Partners may not sell, transfer (other than transfers by operation of law or with the approval of the General Partner), assign, pledge, mortgage, hypothecate, grant a security interest in or otherwise encumber Units held by them. Accordingly, redemptions will be the only means of liquidating an investment in the Partnership in most circumstances.

Any transfer by Limited Partners of their Units is prohibited by the Limited Partnership Agreement, except in the case whereupon his or her Units are assigned by operation of law and, upon satisfaction of the conditions set forth in the Limited Partnership Agreement, his or her assignee shall become a Limited Partner. The General Partner also has the right to approve a transfer of Limited Partner's Units, if such transfer in the opinion of the General Partner will not have an adverse effect on the rights of any 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 Limited 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.

The Units are being sold pursuant to private placement exemptions from the 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.

CALCULATION OF NET ASSET VALUE

Stacey acts as the fund administrator and is responsible for calculation of the Net Asset Value of the Partnership, the Net Asset Value per Class (if applicable) and the Net Asset Value per Unit.

The Net Asset Value of the Partnership shall be the value of the assets of the Partnership at the time the calculation is made in accordance with the below principles less the amount of its liabilities at that time in accordance with the Limited Partnership Agreement. The Net Asset Value of each Class shall be the value of the assets of the applicable class of Units at the time the calculation is made in accordance with the below principles less the amount of liabilities attributed to such Class in accordance with the Limited Partnership Agreement. The Net Asset Value per Unit shall be the quotient obtained by dividing the amount equal to the Net Asset Value of the applicable class of Units on such date by the total number of outstanding Units of such class, including fractions of Units of such class. The Net Asset Value of the Partnership, the Net Asset Value per Class (if applicable) and the Net Asset Value per Unit shall be computed by Stacey, as herein provided as at the Close of Business on every Valuation Date. The Net Asset Value of the Partnership, the Net Asset Value per Class (if applicable) and the Net Asset Value per Unit for each class of Units established by the General Partner in accordance with the provisions of this Agreement shall be conclusive and binding on all Partners.

The value of the assets of the Partnership shall be calculated as follows:

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

(b) any security which is listed upon or dealt with in a public securities exchange will be valued at the last available sale price on that day or, if no sales are reported, at either the current bid price or the midpoint of the current bid-ask spread at the discretion of Stacey, in the case of long positions, and either the current ask price or the midpoint or the current bid-ask spread at the discretion of Stacey in the case of short positions. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges will be valued on the basis of the market quotation which, in the opinion of Stacey most closely reflects their fair value;

(c) any securities which are not listed upon or dealt with in any public securities exchange and for which there is no accurate, available last sale price on that day will be valued at the midpoint of the latest current bid and the latest current ask prices, if such bid and ask prices are available;

(d) clearing corporation options will be valued at their current market value, such that where a clearing corporation option is written, the premium received will be reflected as a deferred credit which will be valued at an amount equal to the current market value of an option that would have the effect of closing the position, and any difference resulting from the revaluation will be treated as an unrealized gain or loss on investment;

(e) the value of any restricted security (that is, any security which is not freely tradeable by the Partnership) shall be the lesser of:

(i) the true value thereof based on any available reported quotations in common use, and;

(ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason or any representation, warranty or agreement or by law, equal to the percentage that the acquisition cost thereof was of the market value of such securities at the time of acquisition thereof;

(f) securities quoted in foreign currencies will be translated to Canadian dollars using the applicable exchange rate posted by the Bank of Canada for the last day of the relevant Fiscal Month and if such rate is not available the exchange rate will be the rate of exchange obtained from the best available sources to Stacey;

(g) forward currency hedging contracts and currency future contracts will be valued at the current market value thereof and any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment;

(h) the value of any security or property to which, in the opinion of Stacey or its delegate (in consultation with the Administrator), the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as Stacey or its delegate (in consultation with the Administrator), may from time to time determine based on standard industry practice;

(i) the value of any asset distributed in kind to a Partner pursuant to the Limited Partnership Agreement shall be its value determined as of the end of the first Business Day immediately preceding the date on which such asset is to be distributed or paid;

(j) in the event that any date for which a valuation is required under the Limited Partnership Agreement falls on a holiday or other day which is not a Business Day, such valuation shall be made as of the close of the first Business Day immediately preceding such date.

Notwithstanding any of the foregoing, the Manager may adjust the value of any investment or other asset if, having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations, as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof. In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out in paragraphs (a) to (j) above, or if such valuation is not representative of the Security's fair market value, the Manager is entitled to use other generally recognized valuation methods provided that in each case such method is approved by the Manager in order to reach a proper valuation of that specific investment.

Net Asset Value calculated in this manner will be used for the purpose of calculating Stacey's (and other service providers') fees, if any, and will be published net of all paid and payable fees. Such Net Asset Value will be used to determine the subscription price and redemption value of Units. To the extent that such calculations are not in accordance with GAAP, the financial statements of the Partnership will include a reconciliation note explaining any difference between such published Net Asset Value and net asset value for financial statement reporting purposes (which must be calculated in accordance with GAAP).

SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners are governed by the Limited Partnership Agreement.

The following is a summary of the Limited Partnership Agreement. This summary is not intended to be complete and each investor should carefully review the Limited Partnership Agreement itself for full details of these provisions. Limited Partners are entitled to a copy of the Limited Partnership Agreement upon making a request to Stacey.

The 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 including, but not limited to, the right to vote to the extent permitted by the Limited Partnership Agreement and the right to receive a pro rata share of distributions to Unitholders, whether by way of income or return of capital contribution.

All Units have equal voting, distribution and other rights. No Unit certificates shall be issued by the Partnership. However, on any purchase or redemption of Units, the General Partner shall issue confirmation slips indicating the nature of transaction effected by the Limited Partner and the number and class of Units held by such Limited Partner after such transaction.

The General Partner may create and name (or rename) from time to time one or more classes of Units which may be subject to different service provider fees than those chargeable against Units of another class, which may be subject to a different Performance Allocation calculation, and which may have different redemption or other features than other classes of Units as the General Partner may determine.

A capital account shall be established and maintained for each Limited Partner.

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.

Each Limited Partner is entitled to one vote for each whole Unit held by the Limited Partner. SMGP LP, as the general partner, will be entitled to one vote at a meeting of Partners.

Redemptions

Redemption rights are described under "*Redemptions*".

Distributions

Distribution rights are described under "*Distributions*".

Reports to Limited Partners

Within ninety (90) days after the end of each fiscal year, the General Partner will forward to each Limited Partner an annual report consisting of:

(i) statement of financial position,

(ii) statement of comprehensive income;

(iii) a statement of changes in equity (or financial position, or net assets, or as applicable),

(iv) a statement of cash flows,

(v) a schedule of investment portfolio and other net assets; and

(vi) all other statements and disclosures as are required by Applicable Laws and in accordance with GAAP and securities regulations,

(vii) a report from the Auditors certifying that the annual financial statements of the Partnership present fairly the financial position and results of the Partnership as at the end of the Fiscal Year in accordance with GAAP, applied on a consistent basis.

The General Partner shall prepare and send to each Limited Partner no later than March 31st after the end of each Fiscal Year (or no later than required from time to time as specified under the Tax Act) such tax information (currently prescribed form T5013 – Statement of Partnership Income) detailing the Limited Partner's allocation of income or loss for income tax purposes in Canada.

The General Partner will also forward to each Limited Partner, unaudited interim financial statements for the first six months of each fiscal year within sixty (60) days after the end of such period consisting of:

(i) statement of financial position,

(ii) statement of comprehensive income;

(iii) a statement of changes in equity (or financial position, or net assets, or as applicable),

(iv) a statement of cash flows,

(v) a schedule of investment portfolio and other net assets; and

(vi) all other statements and disclosures as are required by Applicable Laws and in accordance with GAAP and securities regulations.

The General Partner will forward to each Limited Partner no later than 60 days after the close of each of March 31st, June 30th and September 30th: (i) a schedule of investment portfolio and net assets (which may be included in the semi-annual financial statements) and (ii) a report on the quarterly performance of the Partnership.

All reports are available by electronic delivery should any Limited Partner desire to receive reports in electronic form. Limited Partners also receive all necessary information to enable them to submit income tax returns with respect to their investments.

If any quarterly report or annual report received by a Limited Partner indicates that such Limited Partner has received an amount in excess of an amount to which he is entitled pursuant to the Limited Partnership Agreement, such Limited Partner shall refund to the Partnership or the General Partner, as the case may be, the amount of such excess within fifteen (15) days after request of such refund has been made by the General Partner. If such refund is not paid by the Limited Partner within such fifteen (15) day period, the Limited Partner shall be liable for interest thereon from the date such excess amount was received by such Limited Partner, or allocated to such Limited Partner's capital account, to the date of refund thereof, at a rate per annum equal to the broker's call money rate in effect at a major brokerage firm to be determined by the General Partner on the date such refund is due. The General Partner may set off and apply any sums otherwise payable to a Limited Partner against such refunds due from such Limited Partner.

Similarly, if any semi-annual financial report or annual financial report indicates that the General Partner has received from one or more Limited Partners an amount in excess of an amount to which it is entitled pursuant to the Limited Partnership Agreement, the General Partner shall refund to all affected Limited Partners the amount of such excess within fifteen (15) days of the date upon which such quarterly financial report or annual financial report disclosing such overpayment was finalized. If such refund is not paid by the General Partner within such fifteen (15) day period, the General Partner shall be liable for interest thereon from the date such excess amount was received by the General Partner or allocated to the General Partner's capital account at a rate per annum equal to the broker's call money rate in effect at a major brokerage firm to be determined by the General Partner on the date such refund is due.

Additional interim reporting to Limited Partners will be at the discretion of the General Partner and as required by applicable laws.

Fiscal Year

The fiscal year of the Partnership ends on December 31st in each year (the "**Fiscal Year**").

Meetings of Limited Partners

Annual Meetings of the Partners shall be held each year no later than June 30th, at such place within Canada as the General Partner may reasonably designate, on a day, at a time and place set by the General Partner. 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, 10% or more of the total Units. Notice of meetings must be given in writing not less than twenty–one (21) days and not more than sixty (60) days before the date of the meeting.

A quorum for any meeting is at least two Limited Partners present in person or represented by proxy holding, in the aggregate, not less than 25% of the total outstanding Units. If a quorum is not present within thirty (30) minutes from the time fixed for holding such meeting, the meeting will be adjourned to a date not less than fifteen (15) Business Days and not more than thirty (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

Without limiting any other rights of the Limited Partners as provided in the Limited Partnership Agreement or in the Partnership Act, the Limited Partners may, by Extraordinary Resolution:

(a) admit a new general partner upon the resignation, removal or Deemed Removal of the General Partner;

(b) remove the General Partner;

(c) change the investment objectives for the Partnership;

(d) waive any default on the part of the General Partner on such terms as may be determined and release the General Partner from any claims in respect thereof;

(e) continue the Partnership if the Partnership is terminated by operation of law;

(f) approve any transaction proposed to be made outside the normal course of business of the Partnership;

(g) require the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Limited Partner;

(h) replace the Auditor, subject to the terms of the Limited Partnership Agreement;

(i) subject to the terms referred to below under "*Amendment of the Limited Partnership Agreement*", authorize an amendment of the Limited Partnership Agreement;

(j) authorize the dissolution of the Partnership and appoint any person or persons and vest in such person or persons power and authority to take all necessary steps to cause the Partnership to be dissolved; and

(k) amend, modify, alter or repeal any Extraordinary Resolution.

Amendment of the Limited Partnership Agreement

The Limited Partnership Agreement may be amended by the General Partner, without prior notice to or the consent of any other Partner, as necessary to:

(a) create, name or rename classes of Units of the Partnership including amending Schedule "A" of the Limited Partnership Agreement to reflect such new units and the name (rename) of such units;

(b) reflect the admission or redemption of any Limited Partner, or the permitted assignment pursuant to the Limited Partnership Agreement of such Limited Partner's Units, pursuant to the terms thereof;

(c) for the purpose of adding to the Limited Partnership Agreement any further covenants, restrictions, deletions or provisions which are necessary for the protection of the Limited Partners;

(d) to cure an ambiguity or to correct or supplement any provisions contained in the Limited Partnership Agreement which may be defective or inconsistent with any other provisions contained therein provided that such cure, correction or supplemental provision does not and will not, adversely affect the interests of the Limited Partners.

The Limited Partnership Agreement shall be amended by the General Partner upon:

(a) such amendment being authorized by an Extraordinary Resolution; and

(b) except in the case of the removal of the General Partner, such amendment being approved by the General Partner if the amendment adversely affects the rights or interests of the General Partner; provided, however, that no amendment may be made which in any manner would:

(i) allow any Limited Partner as such to take part in the management of or exercise control over the business of the Partnership;

(ii) have the effect of reducing the fees payable to Stacey or the General Partner's share of the assets of the Partnership upon dissolution, or reducing the number of Units or Net Asset Value of the Units of any Limited Partner;

(iii) change the right of a Limited Partner to vote at any meeting; or

(iv) change the Partnership from a limited partnership to a general partnership.

Term and Termination of the Partnership

The Partnership has no fixed term.

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 three (3) months 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.

The proceeds from liquidation and any assets remaining on hand shall be distributed in the following manner:

(a) first, the expenses of liquidation (including, but not limited to, legal and accounting fees and other expenses incurred in connection with the liquidation) and the debts of the Partnership, other than debt to Partners, shall be paid;

(b) next, any amounts owing to the General Partner for advances or loans made by it to, or on behalf of, the Partnership shall be paid;

(c) next, any amounts owing to Stacey with respect to the management fee shall be paid;

(d) next, any amounts owing to the General Partner with respect to the performance allocation shall be distributed; and

(e) the balance, if any, shall be distributed to the Partners in proportion to their respective Limited Partner *pro rata* share based on the number of Units such Limited Partner holds. Subject to the Partnership Act, distributions on dissolution may be made in cash or in kind, or partly in cash and partly in kind; distributions in kind shall be valued in accordance with valuation principles set out herein at the time of distribution and made rateably in accordance with the Partners' respective Units and subject to reasonable conditions and restrictions necessary or advisable in the discretion of Stacey in order to preserve the value of the assets so distributed.

Liability and Indemnification of the General Partner

The General Partner shall be responsible and liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the Partnership Act and as set forth in the Limited Partnership Agreement.

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

To the extent permitted by applicable law, the Partnership shall indemnify and hold harmless the General Partner, its officers, directors, employees, agents, successors and assigns from and against any liability, loss or damage incurred by them or any of them by reason of any act performed or omitted to be performed by them or any of them in connection with the Partnership's business, including all judgments, costs and legal fees (on a solicitor and his own client basis) and any amounts expended in the settlements of any claims of liability, loss or damage, provided that such indemnification shall not extend to any act of omission of or by such persons that constitutes a breach of the act or gross negligence or willful misconduct.

Limited Liability of Limited Partners

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

Subject to the provisions of the Partnership Act and of other applicable limited partnership legislation, where a Limited Partner has received the return of all or part of the Limited Partner's Contributed Capital, the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise

arose before the return of the Contributed Capital. Please see "*Risk Factors – General Risks associated with an Investment in the Partnership – Possible Loss of Limited Liability*".

A Limited Partner holds as trustee for the Partnership (i) Contributed Capital that has been returned contrary to the Partnership Act and (ii) money or other property paid or conveyed to the Limited Partner by the Partnership contrary to the Partnership Act.

Furthermore, if after a distribution the General Partner determines that a Limited Partner was not entitled to all or some of such distribution, the Limited Partner shall be liable to the Partnership to return the portion improperly distributed, together with interest at a rate per annum equal to the broker's call money rate in effect at major brokerage firm to be determined by the General Partner if repayment of such excess amount is not made by the Limited Partner within fifteen (15) days of receiving notice of such overpayment.

Resignation and Removal of the General Partner

The General Partner may not sell, assign, or otherwise transfer its rights in the Partnership except with the prior approval of the Limited Partners given by an Extraordinary Resolution.

The General Partner may resign from the Partnership upon a minimum of ninety (90) days prior written notice to the Limited Partners. In addition to the Deemed Removal of the General Partner, the General Partner may be removed as the general partner at any time by an Extraordinary Resolution of the Limited Partners which removal shall be effective upon the date specified in such Extraordinary Resolution. In the event of the resignation, removal or Deemed Removal of the General Partner, the Limited Partners shall by Extraordinary Resolution elect a new general partner, or resolve that the Partnership shall be dissolved and, in the latter case, such Extraordinary Resolution shall appoint a Committee and vest in the Committee all necessary power and authority to take all such steps as are required in order to effect the dissolution of the Partnership.

In the event of the Deemed Removal of the General Partner, the Committee shall become and, for all purposes of the Limited Partnership Agreement, shall be deemed to be the general partner, until such time as the Limited Partners have passed an Extraordinary Resolution authorizing the dissolution of the Partnership, or admitting a new general partner.

FEES AND EXPENSES

Management Fee

As compensation for investment fund management and portfolio management services provided to the Partnership, a management fee will be payable monthly to Stacey by the Partnership, at a maximum annual rate of 1% of the aggregate Net Asset Value of the Partnership. The management fee is subject to applicable taxes, including HST and/or GST, as applicable. Such management fee will be deducted as an expense of the Partnership in the calculation of the Net Profit or Net Losses of the Partnership.

Stacey may reduce this management fee to less than 1% for a Fiscal Year upon at least thirty (30) days prior written notice prior to the first day of the applicable Fiscal Year to the Limited Partners. The reduction of the management fee at Stacey's discretion shall only apply to the upcoming Fiscal Year. Following that, unless Stacey provides notice of a reduction of the management fee as per the above the management fee for the subsequent Fiscal Year the management fee for the Partnership will be 1% annually. No Limited Partner approval is required if Stacey reduces the management fee for a particular year but the management fee returns to 1% annually the subsequent Fiscal Year.

Stacey reserves the right to decline any or all or otherwise reimburse to the Partnership such management fee owing or paid at any time**.** Additionally, Stacey reserves the right to pay any portion of any management fee received by it at any time to any Limited Partner as a rebate of the amount paid by such Limited Partner for investment fund management and portfolio management services**.**

Expenses

The Partnership shall be responsible for all expenses, and the General Partner shall be entitled to reimbursement from the Partnership for all costs actually incurred by it (or by any person to whom the General Partner has assigned or delegated any of its duties), in connection with the formation and organization of the General Partner and the Partnership and the ongoing activities of the Partnership:

(a) third party fees and expenses of the Partnership, which include Stacey's management fees, administrator's fees, fees and expenses payable to members of the independent review committee of the Partnership (if any), accounting costs, legal and audit fees, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communication expenses, organizational expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and

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

Expenses other than the management fees (plus applicable taxes) shall be deducted from the Net Asset Value of the Partnership and not from the Net Asset Value of any particular class(es) unless the General Partner determines that such expenses are properly attributable only to certain classes of Units.

DEALER COMPENSATION

Stacey acts as the exempt market dealer of the Partnership, and offers the Units on a private placement basis. There is no commission payable to Stacey in its capacity as an exempt market dealer in respect of Units purchased directly by a subscriber.

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. Net Profits of the Partnership allocated to the Limited Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the sole discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an amount insufficient to discharge the liabilities of the Partnership to persons who are not the General Partner or a Limited Partner. Limited Partners should be aware that net income and capital gains of the Partnership, if any, will still be allocated to them for tax purposes even if no distributions of cash are received by them.

The Performance Allocation will be distributed to the General Partner on the last Valuation Date of each Fiscal Year.

ALLOCATION OF PROFIT AND LOSS

The Net Profit and Net Losses of the Partnership shall be allocated on an annual basis to the General Partner (as to 0.1% of such amounts and any Performance Allocation) and to the Limited Partners (as to the remainder). The Limited Partners' share of the Net Profits and Net Losses of the Partnership shall be allocated to Limited Partners in proportion to their ownership of Units.

Net losses, if any, of the Partnership shall be borne by the Partners in the same proportions set forth above provided that the losses to be borne by each Limited Partner shall be limited to the extent of their capital contribution. Any additional losses in any year shall be allocated to the General Partner.

Performance Allocation

The General Partner shall be allocated a portion of the Net Profit of the Partnership for a particular period if the Net Asset Value of the Partnership at the Valuation Date exceeds the High Water Mark, as explained in this section for compensation for the performance of its duties as general partner of the Partnership. This allocation shall be called the "**Performance Allocation**".

As at the last Valuation Date of the Fiscal Year (or at any other point in time as required under the Limited Partnership Agreement), the General Partner shall calculate the Net Asset Value per Unit of the Partnership (if separate classes of units are issued, then the calculation shall be separate for each class of units) but before taking into account any Performance Allocation as at this time. This calculation shall be referred to as the "**Pre-Performance Allocation Net Asset Value per Unit**". In addition, the General Partner shall calculate the Closing High Water Mark per Unit of the Partnership (if separate classes of Units are issued, then the calculation of the Closing High Water Mark per Unit shall be separate for each class of Units).

Conceptually, the purpose of the High Water Mark is to provide a cumulative threshold to which a performance allocation is assessed. This ensures that a performance allocation is only distributed to the General Partner on succeeding increases in Net Asset Value per Unit, with no reset to the High Water Mark. In addition, the High Water Mark increases by the Average Risk Free Rate of Return regardless of whether a Performance Allocation is distributed.

The "**Closing High Water Mark per Unit**" means on the last Valuation Date of a Fiscal Year, the Opening High Water Mark per Unit for the period multiplied by the Hurdle Rate.

The "**Opening High Water Mark per Unit**" means for each Class:

a. in the year in which Units are first issued at their Initial Subscription Price per Unit, the Initial Subscription Price; and
b. in any other year, the greater of (i) the Closing High Water Mark per Unit of the final month-end Valuation Date of the previous Fiscal Year and (ii) the Net Asset Value per Unit on the final month-end Valuation Date of the previous Fiscal Year;

The Performance Allocation as at the last Valuation Date of a Fiscal Year is calculated as follows: the difference, when the Closing High Water Mark per Unit is subtracted from the Pre-Performance Net Asset Value per Unit, is multiplied by the number of Units issued and outstanding as at the last Valuation Date of the fiscal year multiplied by the Performance Allocation Rate. If the result of this calculation is zero, or less than zero, the Performance Allocation for the Fiscal Year is $nil. In the case where the Partnership has issued multiple classes of Units, the Performance Allocation will be the sum of the Performance Allocation calculated for each class of Units.

For purposes of calculating the Net Asset Value per Unit on a particular Valuation Date, which is not the last Valuation Date of the fiscal year, the General Partner will include in the determination of allocating Net Profit between the General Partner and the Limited Partners, an amount for a Performance Allocation, determined on the same basis as the above, however, the Average Risk Free Rate of Return will be adjusted to the number of months that have passed in the fiscal year (ie for greater clarity, if May 31st is the Valuation Date, the Average Risk Free Rate of Return is the sum of the Risk Free Rate of Return for January through May, inclusive, divided by five). Only the Performance Allocation as determined on the last Valuation Date of the Fiscal Year shall be distributed to the General Partner, unless specified otherwise for a particular class of unit.

"**Average Risk Free Rate of Return**" means, for a particular period of time, the amount obtained when the Risk Free Rate of Return for each month end Valuation Date in that period are added together and the sum is divided by the number of months during that period;

"**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;

"**Performance Allocation Rate**" means 20%, however, the General Partner may in its sole discretion reduce the performance allocation rate for a Fiscal Year to an amount less than 20%. If the General Partner decides to reduce the Performance Allocation Rate for a particular Fiscal Year, the General Partner will notify the Limited Partners of such reduction by prior written notice upon at least thirty (30) days prior to December 31 of the applicable Fiscal Year.

"**Risk Free Rate of Return"** means, in respect of each month-end Valuation Date the amount obtained when 0.25% is subtracted from the Bank of Canada Rate on each month-end Valuation Date;

"**Hurdle Rate**" means 1 + the Average Risk Free Rate of Return;

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable, as of the date of this Offering Memorandum, to a Limited Partner who acquires Units pursuant to the Offering. This summary is applicable only to a person who subscribes, as principal, for Units in the Partnership pursuant to the terms of this Offering Memorandum and who, for purposes of the Tax Act and at all relevant times, is a resident of Canada, deals at arm's length with the General Partner, the Partnership and the Manager, is not affiliated with the General Partner, the Partnership and the Manager, and holds Units in the Partnership as capital property (a "**Holder**"). Units will generally be considered to be capital property to a Holder, provided that the Holder does not hold the Units in the course of carrying on a business and has not acquired the Units in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a "financial institution" as defined in subsection 142.2(1) of the Tax Act, (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) that reports its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency, (iv) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (v) that has, directly or indirectly, a "significant interest" as defined in subsection 34.2(1) of the Tax Act in the Partnership, (vi) of which any affiliate of the Partnership is or was at any relevant time a "foreign affiliate" for any purpose of the Tax Act, or (vii) that has entered into or will enter into, with respect to the Units, a "derivative forward agreement" as that term is defined in the Tax Act. Such Holders are urged to consult their own tax advisors. In addition, this summary does not address the deductibility of interest

expense or other expenses incurred by a Holder in connection with debt incurred in connection with the acquisition or holding of Units.

This summary is also not applicable to a Holder who holds more than one class of Units at any particular time. The CRA has expressed the view that all interests in a particular partnership held by a taxpayer (such as different classes of Units) should be treated as a single property for purposes of the Tax Act, including for purposes of determining the adjusted cost base of such interests. Holders who intend to hold more than one class of Units should consult their own tax advisors in this regard.

This summary assumes that at all times: (i) the Partnership is a "Canadian partnership" as defined in the Tax Act, (ii) the Partnership (and each Unit) is not a "tax shelter" or "tax shelter investment", each as defined in the Tax Act, (iii) the Partnership is not a "SIFT partnership" as defined in the Tax Act, (iv) Units that represent more than 50% of the fair market value of all interests in the Partnership are held by Unitholders that are not "financial institutions" as defined in the Tax Act, and (v) no interest in any Unitholder is a "tax shelter investment" as defined in the Tax Act However, no assurances can be given in this regard, and (vi) the Partnership will not be, at all times, a "SIFT partnership" as defined in the Tax Act.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum (the "**Tax Proposals**") and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). Except as described in the immediately preceding sentence, this summary does not take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurance can be given in this regard. No ruling has been sought from the CRA as to the tax position of the Partnership or the Limited Partners.

This summary is of a general nature only and is not intended, nor should it be construed, to be legal or tax advice to any particular prospective investor. The income and other tax consequences to a Holder of acquiring, holding or disposing of Units in the Partnership vary according to the status of the Holder, the province or territory in which the Holder resides or carries on business and the Holder's own particular circumstances. Each Holder should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of acquiring, holding and disposing of Units based on such Holder's own particular circumstances.

Taxation of the Partnership

Under the Tax Act, the Partnership itself is not liable for Canadian federal income tax. However, the income or loss of the Partnership will be computed for each fiscal period as if it were a separate person resident in Canada. The fiscal period of the Partnership will end on December 31 each year. The income or loss of the Partnership, for purposes of the Tax Act, may differ from its income or loss for accounting purposes and may not be matched by cash distributions.

In computing its income or loss for income tax purposes, the Partnership will generally be entitled to deduct its expenses in its fiscal period in which they are incurred provided that such expenses are reasonable and their deduction is permitted by the Tax Act.

Taxation of Limited Partners

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units must be expressed in Canadian dollars based on the single rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister. Amounts denominated in another currency generally must be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada) (the "**Minister**"). The relevant exchange rate for converting such amounts is the single rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister. Holders of Units may realize gains or losses by virtue of fluctuations in the value of currencies other than the Canadian dollar relative to the Canadian dollar for amounts denominated in foreign currencies relative to the Canadian dollar.

The income or loss of the Partnership for Canadian federal income tax purposes for each fiscal period of the Partnership will generally be allocated among the partners holding Units (or deemed to be holding Units) at the end of that fiscal period. **However, the General Partner reserves the right to allocate income or a loss for tax purposes in another manner.** In general, a Holder's share of any income or loss of the Partnership from a particular source (including its share of any taxable capital gain or any allowable capital loss) will retain its character as such, and any provisions of the Tax Act applicable to that type of income or loss will apply to the share of such income or loss allocated to the Holder. A Holder's share of the Partnership's income must (or loss may, subject to the "at-risk rules" described below) be included (or deducted) in determining the Holder's income (or loss) for the year, whether or not any distribution has been made by the Partnership.

Subject to the "at-risk rules" and "alternative minimum tax rules" discussed below, a Holder's allocated share of the losses from any source (other than allowable capital losses) of the Partnership for any fiscal period may generally be applied against the Holder's income from any source in order to reduce the Holder's overall net income in the relevant taxation year and, to the extent such amount exceeds other income for that year, may be carried back three years and forward 20 years and deducted in computing taxable income for such other years to the extent and under the circumstances described in the Tax Act.

A Holder's allocated share of the allowable capital losses of the Partnership for any fiscal period may generally be applied against the Holder's taxable capital gains in the relevant taxation year and, to the extent such amount exceeds such taxable capital gains, may be carried back three years and carried forward indefinitely against taxable capital gains realized in such other years to the extent and under the circumstances described in the Tax Act.

The "at-risk rules" contained in the Tax Act generally provide that, notwithstanding the income or loss allocation provisions of the Tax Act, a Holder's allocated share of the losses (other than allowable capital losses) of the Partnership for a fiscal period will be deductible by the Holder in computing its income for a taxation year only to the extent that its share of such losses does not exceed its "at-risk amount" in respect of the Partnership at the end of the fiscal period. In general terms, the "at-risk amount" in respect of the Partnership at the end of a fiscal period of the Partnership is generally equal to (i) the adjusted cost base to the Holder of its Units at that time, plus (ii) subject to certain adjustments, the Holder's share of the income from all sources of the Partnership for the fiscal period, less (iii) subject to certain exceptions, all amounts owing by the Holder (or by a person or partnership which does not deal at arm's length with the Holder) to the Partnership (or to a person or partnership that does not deal at arm's length with the Partnership) and less (iv) subject to certain exceptions, any amount or benefit which the Holder (or a person who does not deal at arm's length with the Holder) is entitled to receive where the amount or benefit is intended to reduce the impact of any loss the Holder might sustain by virtue of being a member of the Partnership or of holding or disposing of its Units.

A Holder's share of the losses of the Partnership that is not deductible by the Holder in a taxation year as a result of the application of the "at-risk rules" is considered to be that Holder's "limited partnership loss" in respect of the Partnership for the year. Such a limited partnership loss may be deducted by the Holder (unless the Holder is itself a partnership) in any subsequent taxation year against any income for that year from the Partnership to the extent, generally, that the Holder's "at-risk amount" at the end of the Partnership's last fiscal period ending in that year exceeds the Holder's share of any losses of the Partnership from a business or property for that fiscal period in accordance with the rules contained in the Tax Act.

Disposition of Units

A Holder who disposes, or is deemed to have disposed, of a Unit will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Holder of the Unit.

In general, the adjusted cost base to a Holder of a Unit at a particular time will be equal to the actual cost of the Unit plus, subject to certain adjustments, the Holder's allocated share of the income of such Partnership from any source for all fiscal periods of the Partnership ending before the particular time, less, subject to certain adjustments, the Holder's allocated share of the losses of such Partnership from any source for all fiscal periods of the Partnership ending before the particular time (other than any portion of the losses not deducted by reason of the application of the at-risk rules) and the amount of any distributions made to the Holder by the Partnership before the relevant particular time.

The allocated income for a fiscal period will not be added to the adjusted cost base of the Units until after the end of that fiscal period. If a Holder disposes of all of his, her or its Units, income or loss of the Partnership allocated to such Holder for the year of disposition will be added to or subtracted from his, her or its adjusted cost base of the Units as if that year was a completed fiscal year. Where the adjusted cost base to a Holder of his, her or its Units is negative at the end of a fiscal period of the Partnership, the negative amount will be deemed to be a capital gain of the Holder. The adjusted cost base of the Holder's Units will be increased by the amount of this deemed capital gain.

In general, one-half of a capital gain must be included in computing the income of a Holder (a "taxable capital gain"), and one-half of a capital loss (an "allowable capital loss") must be deducted by a Holder from taxable capital gains realized in the year and, to the extent that such allowable capital losses exceed taxable capital gains in the year, may be applied against net taxable capital gains realized in any of the three years preceding the year or any year following the year, to the extent and under the circumstances described in the Tax Act.

A Holder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout a taxation year may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

Dissolution of the Partnership

On the dissolution of the Partnership, Holders will generally be considered to have disposed of their Units for proceeds of disposition equal to the fair market value of the property received or receivable by them on the dissolution and the Partnership will be deemed to have disposed of, and the Holders will be deemed to have acquired, such property at its fair market value.

A capital gain (or capital loss) will be realized by a Holder on the disposition of such Units to the extent that such proceeds, net of reasonable disposition costs, exceed (or are less than) the adjusted cost base of the Holder's Units, calculated as described above. Any income, capital gain or loss realized by the

Partnership on the disposition of property in the fiscal period ending as a result of the dissolution of the Partnership will be included in the income or loss of the Partnership for that fiscal period and allocated to the partners in accordance with the Limited Partnership Agreement.

Alternative Minimum Tax

A Holder subject to the alternative minimum tax rules in the Tax Act must generally calculate the minimum tax payable without deducting certain partnership losses allocated to the Holder and associated carrying charges from adjusted taxable income. The realization of a capital gain on the disposition of Units or the realization by the Partnership of a capital gain may give rise to an increased liability for alternative minimum tax. Holders should consult their own tax advisors for advice respecting the application of the alternative minimum tax rules in their particular circumstances.

Filing and Reporting Requirements

Each Limited Partner generally will be required to include in his, her or its income tax return his, her or its 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 Offering Memorandum, it is not necessary to obtain a tax shelter identification number with respect to the issuance of such Units.

RISK FACTORS

There are many risks associated with an investment in the Partnership. Before investing, prospective investors should carefully consider the following risks. **The following risk factors do not purport to be a complete explanation of all risks involved in purchasing the Units. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before determining whether to invest in the Units.**

What are the risks of investing in an investment fund?

There is no such thing as risk–free investing. For investors, risk is the possibility of losing money or not making any money. The same is true with investment funds. The value of an investment fund may change every day, reflecting changes in interest rates, economic conditions, and market and company news. Therefore, when an investor redeems his, her or its units in an investment fund, the investor may receive less than the full amount originally invested. The full amount of the investor's investment in an investment fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, investment fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

One risk of an investment fund is that, in exceptional circumstances, requests to redeem units of the fund, may not be accepted or the delivery of redemption proceeds may be delayed.

The value of an investment fund is directly related to the value of the investments held by the investment fund. The value of the investments in the investment fund can change due to, among other things, general market conditions, changes in interest rates and political and economic developments. The value of the investment fund may change substantially over time.

The total effect of the different types of risk is measured by volatility. Volatility measures how variable the value of an investment fund is relative to an expected return.

It is very important that an investor be aware of the risks associated with investing in an investment fund, its relative return over time and its volatility. The principal risks that may be associated with investing in the Partnership are described below.

Specific Risks in respect of the Partnership

Other than as disclosed in this Offering Memorandum, the Partnership is not subject to the disclosure requirements or investment restrictions applicable to publicly offered investment funds which includes limits on the ability of such investment fund to use derivatives, concentrate investments, engage in securities lending, and repurchase or reverse repurchase transactions.

Although all securities investments involve the potential loss of capital, the Partnership may employ investment strategies and techniques whose risks may increase during periods of unusual speculative activity or market volatility. Investors should consider the following risk factors before investing. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Partnership.

General Risks associated with an Investment in the Partnership

Speculative Investment

On its own, an investment in the Partnership may be deemed speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Investors should closely review the investment objective and investment strategies to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership. Each prospective investor is responsible for determining if an investment in the Partnership of the size contemplated is appropriate for that prospective investor.

There is no assurance that the Partnership will be able to achieve its investment objective.

No Guaranteed return

The Net Asset Value of Units will vary directly with the market value and return of the investment portfolio of the Partnership. There can be no assurance that the Partnership will not incur losses. There is no guarantee that the Partnership will earn a return in the short or long term.

Portfolio Management

There is a risk that the strategies used by Stacey in managing the portfolio of the Partnership may fail to produce the intended results. As the performance of the Partnership will be dependent on Stacey, which provides investment advisory and portfolio management services to the Partnership, if Stacey ceases to be

the portfolio manager of the Partnership, the performance of the Partnership may be adversely affected. Stacey will depend, to a great extent, on the services of a limited number of individuals in the administration of the Partnership's activities. The loss of such individuals for any reason could impair the ability of Stacey to perform its management activities on behalf of the Partnership. Investors should be aware that the past performance by those involved in the investment management of the Partnership should not be considered as an indication of future results.

Concentration

Stacey may take concentrated positions within each strategy or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers.

As much as one third of the 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.

Fluctuations in Net Asset Value

Fluctuations in the Net Asset Value per Unit may occur for a number of reasons beyond the control of the Partnership or Stacey. The Net Asset Value of the Partnership varies according to, among other things, the value of the investments held in the portfolio of the Partnership. Stacey and the Partnership have no control over the factors that affect the value of such investments, including market, economic, political, regulatory and other conditions.

Possible Effect of Redemptions

Payments upon partial or complete redemption by a Limited Partner will be made by electronic transfer or by cheque. In order to pay withdrawing Limited Partners, Stacey 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 Asset Value of the Partnership if large withdrawals are made at the same time so as to force premature asset dispositions. Please also see "*Risk Factors – General Risks associated with an Investment in the Partnership – Significant Investor*".

Redemption may be suspended under certain circumstances. Please see "*Redemptions – Suspension of Redemptions*" for more information. Substantial redemptions of Units from the Partnership could require the Partnership to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining.

Nature of Units

The Units are neither fixed income nor equity securities. An investment in Units does not constitute an investment by Limited Partners in the securities included in the portfolio of the Partnership. Limited Partners will not own the securities held by the Partnership by virtue of owning Units of the Partnership. Units are dissimilar to debt instruments in that there is no principal amount owing to Limited Partners. Limited Partners will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Legal, Tax and Regulatory Risks

There can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects the investments in the portfolio securities and the

Partnership and its Limited Partners. The regulatory environment for hedge funds and alternative investments is evolving and changes to it may adversely affect the Partnership. To the extent that regulators adopt practices of regulatory oversight in the area of hedge funds that create additional compliance, transaction, disclosure or other costs for hedge funds, returns of the Partnership may be negatively affected. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts and governmental authorities will not be changed in a manner which adversely affects the distributions received by the Partnership or by the Limited Partners.

Pursuant to US tax rules, Limited Partners may be required to provide identify and residency information to the Partnership, which may be provided by the Partnership to US tax authorities in order to avoid a US withholding tax being imposed on US and certain non-US source income and on proceeds of disposition received by the Partnership or on certain amounts (including distributions) paid by the Partnership to certain Limited Partners.

Early Termination

In the event of early termination of the Partnership, certain assets held by the Partnership may be illiquid and might have little or no marketable value. In addition, the assets held by the Partnership would have to be sold by the Partnership or may be distributed in kind to the Limited Partners. It is possible that at the time of such sale or distribution certain securities held by the Partnership would be worth less than the initial cost of such assets, resulting in a loss to the Limited Partners.

Conflicts of Interest

Stacey and its respective directors and officers and their affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest in securities to be held in the portfolio of the Partnership.

Although none of the directors or officers of Stacey will devote his or her full time to the business and affairs of the Partnership or Stacey, each devotes as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Stacey and the Partnership, as applicable. In addition, although officers, directors and professional staff of Stacey devote as much time to the Partnership as Stacey deems appropriate to perform its duties, such persons may have conflicts in allocating its time and services among the portfolio of the Partnership and the other portfolios of Stacey, as applicable.

In addition, Stacey and/or its affiliates, in connection with their business activities, may acquire material non–public confidential information that may restrict it from purchasing assets or selling assets for itself or its clients (including the Partnership) or otherwise using such information for the benefit of its clients or itself.

Notwithstanding the foregoing, Jeffrey Stacey and his spouse 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.

Fees and Expenses

The Partnership is obligated to pay certain fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether it realizes profits.

Limited Ability to Liquidate Investment

There is no formal market for Units and one is not expected to develop. This offering of Units is not qualified by way of prospectus, and consequently the resale of Units is subject to restrictions under applicable securities legislation. It is possible that Limited Partners may not be able to resell their Units other than by way of redemption of their Units at any Valuation Date which redemption will be subject to the limitations described under "*Redemptions*". There are circumstances where the Partnership may suspend redemptions. Limited Partners may not be able to liquidate their investments in a timely manner. As a result, an investment in the Units is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

Valuation of the Partnership's Investments

Valuation of the securities held in the Partnership's portfolio and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Partnership and the Net Asset Value per Unit could be adversely affected. Independent pricing information may not at times be available regarding certain of the Partnership's investments in various portfolio securities.

The Partnership may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Partnership to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of its Units while the Partnership holds such investments will be paid an amount less than such Limited Partner would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by Stacey in respect of a redemption. In addition, there is risk that an investment in the Partnership by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the actual value of such investments is higher than the value designated by Stacey. The Partnership does not intend to adjust the Net Asset Value of the Partnership retroactively.

Possible Effect of General Partner Distributions

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

Charges to the Partnership

The Partnership is obligated to pay administration fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Partnership realizes profits.

Limited Partners not entitled to Participate in Management

Limited Partners are not entitled to participate in the management or control of the Partnership or its operations. Limited Partners do not have any input into the Partnership's trading. The success or failure of

the Partnership will ultimately depend on the indirect investment of the assets of the Partnership by Stacey, with which Limited Partners will not have any direct dealings.

Possible Loss of Limited Liability

Under applicable laws, a Limited Partner benefits from limited liability unless, in addition to exercising rights and powers as a Limited Partner, such Limited Partner takes part in the control of the business of the Partnership. A Limited Partner is liable for such Limited Partner's subscription proceeds, pro rata share of undistributed income retained by the Partnership and for any portion of the subscription proceeds returned to such Limited Partner by the Partnership. In order that the liability of the Limited Partners be limited to the extent described, certain legal requirements under the Partnership Act and other applicable provincial legislation must be satisfied.

The limitation of liability conferred under the Partnership Act may be ineffective outside Ontario except to the extent it is given extra territorial recognition or effect by the laws of other jurisdictions. There may also be requirements to be satisfied in each jurisdiction to maintain limited liability. If limited liability is lost, Limited Partners may be considered to be general partners (and therefore be subject to unlimited liability) in such jurisdiction by creditors and others having claims against the Partnership.

Tax Liability

Limited partners are subject to income tax on the allocation of net income for income tax purposes by the Partnership. Limited Partners should be aware that the net income of the Partnership for income tax purposes, if any, will still be allocated to them for tax purposes, even if no distributions of cash re received by them**.**

No Guaranteed Cash Distribution

The Partnership does not intend to make cash distributions to Limited Partners other than those made in connection with the redemption of Units. Investments in the Partnership are not suitable for an investor seeking an income from such investment, as the Partnership may not, or may be unable to, distribute income earned by it. In the event that the Partnership decides to make cash distributions, such distributions will be made in accordance with the provisions of the Limited Partnership Agreement.

Significant Investor

It is expected that, at any time, investors in the Partnership may include individual investors with significant holdings in the outstanding Units. The presence of a large investor helps to mitigate the burden of the fixed costs of the Partnership by effectively spreading the impact of such costs over a larger Net Asset Value than would otherwise be the case. By the same token, any large redemptions by such an investor will raise the impact of such fixed costs on remaining investors. Large orders to purchase or sell Units in the Partnership by such significant investors may, individually or on a combined basis, also result in parallel investment/disinvestment transactions by the Partnership in one or more of its underlying assets. This could in turn possibly impact the value of such investments thereby affecting the Net Asset Value of the Partnership.

Status of the Partnership

Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

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

Lack of Independent Experts Representing Limited Partners

Each of the Partnership, the General Partner and the Investment Manager has consulted with a single legal counsel regarding the formation and terms of the Partnership and the offering of Units. The Limited Partners have not, however, been independently represented. Therefore, to the extent that the Partnership, the Limited Partners or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Units and the suitability of investing in the Partnership.

No Involvement of Unaffiliated Selling Agent

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

Broker or Dealer Insolvency

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

Data Security and Privacy Breaches

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

Risks associated with the Partnership's Underlying Investments

Use of Derivatives

The portfolio of the Partnership may include derivatives instruments although the Partnership does not intend to make significant use of them. These instruments may include options and/or forward contracts. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, including the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. Hedging with derivatives may not always be successful and could limit the Partnership's ability to have access to increases in the value of the portfolio of the Partnership.

The Partnership may not be able to obtain or close out a derivative contract when Stacey views it as desirable to do so, which may prevent the Partnership from making a profit or limiting a loss. When the Partnership invests in a derivative instrument, it could lose more than the principal amount invested. Amounts paid by the Partnership as premiums and cash or other assets held in margin accounts are not otherwise available to the Partnership for investment purposes.

To the extent that that Partnership enters into derivatives, the Partnership will be exposed to the credit risk of the counterparties of those derivatives. There is a limited choice of first tier counterparties which may lead to a concentration of exposure with counterparties.

Options Trading

The Partnership may purchase and sell calls and puts for investment purposes.

As a purchaser of options, the Partnership may lose its investment in the option, which is the premium paid upon purchase, if such option is not sold or exercised when it has remaining value or if it is not profitable to exercise the option upon its expiration.

As a seller of options, the Partnership is subject to the full risk of its investment position in the securities comprising the portfolio of the Partnership. The Partnership may be exposed to: (a) in the case of a covered call option, the risk of a decline in the market price of the underlying security to a level below the purchase price of the security (to the extent such decline exceeds the premium); (b) in the case of a covered put option, the risk of an increase in the market price of the underlying security to a level above the sales price in establishing the underlying short position (to the extent such increase exceeds the premium); and (c) in the case of "naked" short option positions, theoretically unlimited risk.

As a seller of options, the Partnership may also give up opportunities for gains on the underlying security.

There can be no assurance that a liquid exchange or over–the–counter market will exist to permit the Partnership to write options on desired terms or to close out option positions should it desire to do so. The ability of the Partnership to close out its positions may also be affected by exchange–imposed daily trading limits on options or the lack of a liquid over–the–counter market. If the Partnership is unable to repurchase a call option that is in–the–money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

Hedging Risk

Although hedging reduces risk, it does not eliminate it entirely. Losses can still result in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) anticipated transactions which are altered or aborted; (ii) the inability to hedge off risk, due to the difficulty of borrowing the offsetting security; (iii) a cease trade order being issued in respect of the underlying security; (iv) the inability to maintain a short position, due to the repurchase or redemption of shares by the issuing company; and (v) lack of liquidity during market panics.

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. Stacey will limit borrowing activity of the Partnership so that it won't cause the Net Asset Value of the Partnership to be less than 2/3 of the sum of the Liabilities and 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. Stacey will engage in these transactions in circumstances where it has concluded that a particular security is over–valued in its principal markets or as hedge against other positions in the Partnership's portfolio. 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.

Fixed Income Securities

The Partnership may invest in bonds or other fixed income securities. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments and obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Partnership may suffer a loss at the time of sale of such securities.

At any one time, a portion of the Partnership's portfolio may consist of debt 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.

Interest Rate Fluctuations

It is anticipated that the market price for the Units at any given time will be affected by the level of interest rates prevailing at such time. Large changes in interest rates may have a negative effect on the market price of the Units. Holders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

Event Driven Investing

Event Driven Investing, which is 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. 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 Event Driven Investments. In any given event driven 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.

Securities Lending

The Partnership may engage in securities lending. Although the Partnership will receive collateral for such loans and such collateral will be marked to market, the Partnership will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Small and Medium Capitalization Companies

The Partnership may invest in the securities of companies with small–to medium–sized capitalizations. While the securities of such companies often provide significant potential for appreciation, smaller–capitalization securities involve higher risks in some respects than do investments in the securities of larger companies. For example, prices of small–capitalization and even medium–capitalization securities are often more volatile than prices of large–capitalization securities, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than that for larger, "blue–chip" companies. In addition, due to thin trading in some small–capitalization securities, an investment in such securities may be relatively illiquid.

Illiquid Securities

There is no assurance that an adequate market will exist for the securities included in the portfolio of the Partnership and it cannot be predicted whether the investments included in the portfolio will trade at a discount to, a premium to, or at their respective par or maturity values. If the market for a specific investment is particularly illiquid, the Partnership may be unable to acquire or dispose of such investments or may be unable to acquire or dispose of such investments at an acceptable price.

Foreign Currency Exposure

The portfolio of the Partnership may hold investments denominated in currencies other than the Canadian dollar for both hedging and investment purposes. Accordingly, exchange rate fluctuations may cause the value of the portfolio of the Partnership to diminish or increase. Transactions to hedge against changes to the exchange rates between Canadian and foreign currencies, if any, may not be effective or profitable. The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent Stacey's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Although Stacey may adopt a hedging strategy in respect of some or all of these currencies, it is possible that some or all of such exposure will remain unhedged. In addition, Stacey may take long/short speculative positions on currencies based on Stacey's view of macro–economic and other factors.

Emerging Markets

The portfolio of the Partnership may include securities of issuers that are domiciled in countries that are located in emerging markets.

Because of the special risks associated with investing in emerging markets, investments in such securities should be considered speculative and investors are advised to consider carefully the special risks of investing in emerging market securities. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

The risk also exists that an emergency situation may arise in one or more emerging markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the securities in the portfolio of the Partnership in such markets may not be readily available.

Investors should note that changes in the political climate in emerging markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of Limited Partners so affected.

Emerging markets can be significantly more volatile than developed markets, so that the price of securities of issuers that are domiciled in countries that are located in emerging markets may be subject to large fluctuations.

Foreign Market Exposure

Investments made by the Partnership may, at any time, include securities of issuers established in jurisdictions outside Canada and the U.S. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Other risks include the application of foreign tax law, changes in governmental administration or economic or monetary policy and the effect of local market conditions on the availability of public information. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which have an adverse impact on the value of such securities.

Counterparty Risk

In purchasing call or put options or entering into forward contracts or other derivative instruments, the Partnership is subject to the credit risk that the counterparties (whether a clearing corporation, in the case of exchange–traded instruments, or other third parties, in the case of over–the–counter instruments) may be unable to meet their respective obligations and that the Partnership may incur losses as a result.

Precious Metals Risk

The Partnership may invest in precious metal bullion. The prices for gold, silver and platinum bullion are affected by a variety of factors including: (a) the global supply of, and demand for, such precious metals, which is influenced by such factors as forward selling by producers of such precious metals, purchases made by producers of such precious metals to unwind hedge positions, central bank purchases and sales, production and cost levels in major producing countries, levels of industrial activity and consumer demand, trading activities of speculators and the buying and selling on behalf of financial investment products similar to the Partnership; (b) investors' expectations with respect to the rate of inflation; (c) the exchange rate volatility of the U.S. dollar, the principal currency in which the prices of such precious metals are generally quoted; (d) interest rate volatility; and (e) unexpected global, or regional, political or economic incidents. In addition, governments may intervene from time to time, directly or through regulatory measures, in certain markets such as gold. These factors will indirectly affect the prices for gold, silver and platinum bullion, which will have a direct impact on the value of units of the Partnership.

Direct purchases of physical gold, silver and platinum bullion may also generate higher transaction and custody costs than other types of investments. These additional costs may impact the performance of the Partnership.

Precious metals and bullions do not generate an income stream if held in an allocated, segregated account and are not leased. Since the Partnership will not lease its bullion, the Partnership will not receive any income. The Partnership will only earn money on its investment in bullion to the extent that it sells the bullion at a gain.

Market Disruptions

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short–term market volatility and may have adverse long–term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers in the portfolio of the Partnership. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held from time to time by the Partnership.

CONFLICTS OF INTEREST

Securities regulation in certain jurisdictions in Canada requires that potential conflicts of interest be fully disclosed in this Offering Memorandum. Such potential conflicts are generally perceived to arise whenever a registrant such as Stacey participates in the distribution of securities of a related or connected issuer.

Stacey and its respective principals and affiliates do not devote their time exclusively to the investment management or portfolio management of the Partnership. In addition, such persons may perform similar or different services for others and may sponsor or establish other investment funds during the same period during which they act on behalf of the Partnership. Such persons therefore may have conflicts of interest in allocating management time, services and functions to the Partnership and the other persons for which they provide similar services. Accordingly, certain opportunities to purchase or sell securities or engage in other permissible transactions may be allocated among a number of Stacey's clients. Stacey, however, will allocate available transactions among the Partnership and other clients in a manner believed by Stacey to be fair and equitable. See "*Conflicts of Interest*"- "*Allocation of Investment Opportunities*".

Stacey and its officers and employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest. Stacey has in place systems to monitor the personal trading and other business activities of its officers and employees.

Affiliated Entities and Related and Connected Issuers

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

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

Stacey is registered as an investment fund manager, portfolio manager and exempt market dealer with the Ontario Securities Commission, and as a portfolio manager and exempt market dealer with the Alberta Securities Commission. Stacey will, in the future also be registered in the appropriate categories of registration if and when Units are offered in jurisdictions other than Ontario and Alberta. As a result, potential conflicts of interest could arise in connection with Stacey acting in such capacities. As an exempt market dealer, Stacey may sell securities of the Partnership and related and/or connected limited partnerships and other pooled funds organized by Stacey in accordance with applicable laws, and will not be remunerated by such partnerships or other pooled funds for acting in that capacity.

The Partnership is a related and connected issuer of Stacey under securities legislation, the investment manager of the Partnership and an affiliate of the General Partner. SMGP LP is the general partner of the Partnership. The General Partner is entitled to receive distributions from the Partnership. Stacey is the investment fund manager, portfolio manager and exempt market dealer of the Partnership and is responsible for providing or arranging for the provision of management and investment advisory and portfolio management services required by the Partnership. Stacey receives a management fee for its services. Jeffrey Stacey wholly owns and controls Stacey and by 2584556 Ontario Inc. the general partner of the General Partner. Jeffrey Stacey and Stacey are also limited partners of the General Partner.

No fees are payable to Stacey in its capacity as an exempt market dealer for the Partnership. Stacey also acts as the fund administrator for the Partnership but does not receive a fee for providing these services to the Partnership. Stacey has been involved in establishing the terms of the Units of the Partnership as former general partner of the Partnership and also as the current investment manager and portfolio manager of the Partnership.

The definitions of the terms “related issuer” and “connected issuer” can be found in NI 33–105.

Allocation of Investment Opportunities

In allocating investment opportunities among its clients, Stacey will seek to ensure that all clients are dealt with in a fair manner. All security transactions, including new issues, are allocated to the client accounts for which trade orders were initiated. In situations where purchases or sales of securities, including new issues, are for multiple client accounts (block trades), partial fills will be allocated on a *pro*

rata basis, considering such factors as cash position, asset mix and policy guidelines. However, if such *prorating* should result in an inappropriately small portion for the client account, the allotment will normally be reallocated to another client account or in the case of new issues, may be returned to the broker.

Stacey will only use the weighted average price paid on a block trade when allocating to its client accounts. Broker commissions are allocated evenly on a *pro rata* basis across all applicable client accounts.

Fair Dealing with Clients

Stacey shall deal fairly and objectively with all clients, including the Partnership, and prospective clients when disseminating material information of concern to such clients or when taking investment actions. Transactions for client accounts shall in all cases have priority over transactions where Stacey or an officer or employee of Stacey is a beneficial holder.

Personal Trading

Stacey has adopted a policy to limit, monitor and, in certain instances, restrict personal trading by the officers and employees of Stacey in order to ensure that there is no conflict between such personal trading and the interests of the investment funds managed by Stacey and Stacey's other clients.

Referral Arrangements

Stacey may enter into referral arrangements whereby it pays a fee for the referral of a client to Stacey or the Partnership. No such payments will be made unless the referred investors are advised of the arrangement and all applicable securities legislation is complied with.

Brokerage Arrangements

All decisions as to the purchase and sale of securities in the Partnership's portfolio and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by Stacey. In effecting portfolio transactions, Stacey will seek to obtain best execution of orders as required by applicable securities legislation.

Stacey is responsible for placing orders to effect portfolio transactions on behalf of the Partnership. These orders are allocated by Stacey to the brokers who can offer the volumes and the prices deemed most advantageous. Where no particular advantage with respect to price or execution is available, orders may be placed through brokers who, in the opinion of Stacey, provide or assist in the provision of decision–making services. Investment decision–making services include the provision of advice, valuations, research and related data–bases or software.

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

Stacey is provided with research, from time to time, from the dealers with whom it places trades for the Partnership, as well as for its other clients. Names of the dealer(s) that provided Stacey with such research services in connection with the portfolio transactions for the Partnership during the last financial year of the Partnership will be provided on request by contacting Stacey.

Related Registrants

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

As at the date of this Offering Memorandum, Stacey does not have any related registrants.

ANTI–TERRORISM AND ANTI–MONEY LAUNDERING LEGISLATION

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

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

FINANCIAL REPORTING

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

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

LEVERAGE DISCLOSURE STATEMENT

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

AUDITOR

The auditor of the Partnership is Ernst & Young LLP, London, Ontario.

FUND ADMINISTRATOR

Stacey is the administrator of the Partnership.

PRIME BROKER

TD Securities Inc., Toronto, Ontario has been appointed as the prime broker of the Partnership.

LEGAL MATTERS

Purchase and Resale Restrictions

The Units are being offered on a private placement basis in reliance upon prospectus and exemptions under applicable securities legislation in the Offering Jurisdictions. Resale of the Units will be subject to restrictions under applicable securities legislation, which will vary depending upon the relevant jurisdiction. Generally, the Units may be resold only pursuant to an exemption from the prospectus requirements of applicable securities legislation, pursuant to an exemption order granted by appropriate securities regulatory authorities or after the expiry of a hold period following the date on which the Partnership becomes a reporting issuer under applicable securities legislation. It is not anticipated that the Partnership will become a reporting issuer. In addition, Limited Partners reselling Units may have reporting and other obligations. Accordingly, Limited Partners are advised to seek legal advice with respect to such restrictions. Resale of Units is also restricted under the terms of the Limited Partnership Agreement. Transfers will generally only be permitted in exceptional circumstances. Accordingly, each prospective investor must be prepared to bear the economic risk of the investment for an indefinite period.

Each purchaser of Units will be required to deliver to the Partnership a Subscription Agreement in which such purchaser will represent to the Partnership that such purchaser is entitled under applicable provincial securities legislation to purchase such Units without the benefit of a prospectus qualified under such securities legislation.

Cooling–off Period

Securities legislation in certain jurisdictions may give a purchaser certain rights of rescission under certain circumstances, against the dealer who sold Units to them, but those rights must be exercised within a certain time period (may be as short as forty–eight (48) hours) following the purchase of Units.

Rights of Action for Damages or Rescission

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

The summaries setting out the rights of action for damages or rescission in the Offering Jurisdictions, are set forth in Schedule A, which is incorporated in and forms part of this Offering Memorandum.

Investors should consult with their legal advisers to determine whether and the extent to which they may have a right of action or rescission in their province or territory of residence. The rights

discussed in Schedule A are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units.

Applicable for Alberta Residents Only

CERTIFICATE TO ALBERTA RESIDENTS PURCHASING UNITS IN RELIANCE ON THE EXEMPTION IN SECTION 2.10 OF NATIONAL INSTRUMENT 45–106 – PROSPECTUS EXEMPTIONS

Date: July 26, 2017

This offering memorandum does not contain a misrepresentation.

Stacey Muirhead Capital Management Ltd., as the manager of the Partnership

"*Jeffrey D. Stacey*"	"*Mark Eamer*"
Jeffrey D. Stacey Chief Executive Officer	Mark Eamer Chief Financial Officer

On behalf of the Board of Directors of Stacey Muirhead Capital Management Ltd., as manager of the Partnership

"*Jeffrey D. Stacey*"

Jeffrey D. Stacey
Director

SCHEDULE A

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

As used herein, "**Misrepresentation**" has the meaning assigned under each Offering Jurisdiction's respective securities act, but generally means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A "**material fact**" has the meaning assigned under the securities act of each Offering Jurisdiction, but generally means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Units.

The rights of action discussed below are in addition to and without derogation from any other rights or remedies available at law to the subscriber.

Alberta

If the Offering Memorandum, and any amendments thereto, delivered to a purchaser resident in Alberta in reliance upon the minimum amount investment exemption in NI 45-106, contains a misrepresentation when a person or company purchases Units offered by the Offering Memorandum, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action (a) for damages against the issuer, every trustee of the issuer at the date of the Offering Memorandum, and every person or company who signed the Offering Memorandum; and (b) for rescission against the issuer. Notwithstanding the foregoing, if the purchaser elects to exercise a right of rescission against the issuer, the purchaser will have no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, the Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Any person or company, including the issuer, will not be liable for a misrepresentation contained in an Offering Memorandum:

(a) if the person or company proves that the purchaser had knowledge of the misrepresentation;
(b) in an action for damages, the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of Units as a result of the misrepresentation; and
(c) the amount recoverable in any action described herein shall not exceed the price at which Units were offered under the Offering Memorandum.

A person or company, other than the issuer, will not be liable for a misrepresentation contained in an Offering Memorandum:

(a) if the person or company proves that the Offering Memorandum, or any amendments thereto, was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;

(b) if the person or company proves that the person or company, on becoming aware of the misrepresentation in the Offering Memorandum, or any amendments thereto, withdrew the person's or company's consent to the Offering Memorandum, or any amendments thereto, and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(c) if, with respect to any part of the Offering Memorandum, or any amendments thereto, purporting to be made on the authority of an expert or purporting to be a copy of, or any extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:

there had been a misrepresentation, or

the relevant part of the Offering Memorandum, or any amendments thereto, (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

with respect to any part of an Offering Memorandum, or any amendments thereto, not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

(i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or

believed that there had been a misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

Any person, including the issuer, will not be liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Alberta)) if the person or company proves that:

(a) the Offering Memorandum, any amendments thereto, or other document contained, proximate to the forward-looking information,

reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and

a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and

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

provided, however, that the foregoing does not relieve a person or company of liability with respect to forward-looking information in a financial statement or forward-looking information in a document released in connection with an initial public offering.

When the *Securities Act* (Alberta) or a regulation under the Act requires a dealer, an offeror or the issuer to send the Offering Memorandum to purchasers of a security, a purchaser has an additional right of action for rescission or damages against a dealer, an offeror or the issuer, as the case may be, who fails to send the Offering Memorandum within the prescribed time.

A purchaser of a security to whom an Offering Memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the issuer not later than midnight on the second day, exclusive of Saturdays and holidays, after the purchaser signs the agreement to purchase the securities.

No action may be commenced to enforce the right of action discussed above more than,

(a) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action; or
(b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or (iii) three years from the day of the transaction that gave rise to the cause of action.

Ontario

Section 130.1 of the *Securities Act* (Ontario) (the "Ontario Act") provides that every purchaser of securities pursuant to an offering memorandum (such as this offering memorandum) or any amendment thereto shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a misrepresentation (as defined in the Ontario Act). A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

(c) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;
(d) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;
(e) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
(f) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the Ontario Act provides that no action shall be commenced to enforce these rights more than:

(a) 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

(b) in the case of an action for damages, the earlier of: (i) 180 days after the date that the purchaser 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.

This offering memorandum is being delivered in reliance on certain exemptions from the prospectus requirements, including those contained under section 2.3 (the "accredited investor exemption") and section 2.10 (the "minimum amount exemption") of NI 45-106. The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this offering memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

(a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);

(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or

(c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The rights of action for rescission or damages are in addition to and do not derogate from any other right that the purchaser may have at law.

Saskatchewan

Section 138 of *The Securities Act*, 1988 (Saskatchewan), as amended (the "Saskatchewan Act") provides that in the event that an offering memorandum (such as this offering memorandum) or any amendment to it sent or delivered to a purchaser contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases Units covered by the offering memorandum or any amendment to it has a right of action against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;

(b) 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;

(c) no person or company, other than the issuer 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;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) 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 issuer or selling security holder, will be liable if the person or company proves that:

(a) 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

(b) 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.

Not all defences upon which the issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of 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 has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual.

Section 141(1) of 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.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an 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 Section 80.1 of the Saskatchewan Act.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

(a) 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

(b) 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 subsection 80.1(3) of the Saskatchewan Act has 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.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Manitoba

Section 141.1 of the *Securities Act* (Manitoba), as amended (the "Manitoba Act") provides that where an offering memorandum (such as this offering memorandum) or any amendment to it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer or has a right of action for damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum:

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

(a) if the purchaser chooses to exercise a right of rescission against the issuer, the purchaser shall have no right of action for damages against the parties (i), (ii) and (iii) listed above;

(b) in an action for damages, a defendant will not be liable for all or any part of the damages that he or she proves do not represent the depreciation in value of the security as a result of the misrepresentation;

(c) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and

(d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser had knowledge of the misrepresentation.

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

(a) 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;

(b) 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

(c) 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.

Not all defences upon which the issuer or others may rely are described herein. Please refer to the full text of the Manitoba Act for a complete listing.

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

Section 141.3 of the Manitoba Act also provides that a purchaser of a security to whom an offering memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the securities.

Section 141.4 of the Manitoba Act provides that no action may be commenced to enforce any of the foregoing rights:

(a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, 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.

The rights of action for damages or rescission under the Manitoba Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) (the "Nova Scotia Act") provides that in the event that an offering memorandum (such as this offering memorandum), together with any amendment thereto, or any advertising or sales literature (as such terms are defined in the Nova Scotia Act) contains a misrepresentation (as defined in the Nova Scotia Act), the purchaser will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the seller and, subject to certain

additional defences, every director of the seller at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, while still the owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the seller, in which case the purchaser shall have no right of action for damages against the seller, directors of the seller or persons who have signed the offering memorandum, provided that, among other limitations:

(a) no action shall be commenced to enforce any of the foregoing rights more than 120 days after the date on which the initial payment was made for the securities;

(b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

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

(a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the offering memorandum or amendment to offering memorandum 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.

Furthermore, no person or company, other than the issuer, will be liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the

misrepresentation is deemed to be contained in the offering memorandum or an amendment to the offering memorandum.

The rights of action for rescission or damages under the Nova Scotia Act are in addition to and do not derogate from any other right the purchaser may have at law.

New Brunswick

Section 150 of the *Securities Act* (New Brunswick) (the "New Brunswick Act") provides that where an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and:

(a) the purchaser has a right of action for damages against (i) the issuer, (ii) the selling security holder on whose behalf the distribution is made, (iii) every person who was a director of the issuer at the date of the offering memorandum, (iv) every person who signed the offering memorandum, or

(b) where the purchaser purchased the securities from a person referred to in paragraph (a)(i) or (ii), the purchaser may elect to exercise a right of rescission against the person referred to in that subparagraph, in which case the purchaser shall have no right of action for damages against the person.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the misrepresentation. However, there are various defences available. In particular, no person will be liable for a misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the misrepresentation. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action for rescission within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

(a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or

(a) six years after the date of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express conditions of the New Brunswick Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages under the New Brunswick Act are in addition to and do not derogate from any other right the purchaser may have at law.

Newfoundland & Labrador

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that if an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases Units offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and the purchaser has:

(a) a right of action for damages against:

(i) the issuer;

(ii) every director of the issuer at the date of the offering memorandum;

(iii) every person or company who signed the offering memorandum; and

(b) a right of rescission against the issuer.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

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.

When a misrepresentation is contained in the offering memorandum, no person or company other than the issuer, is liable:

(a) if the person or company proves

(i) that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and

(ii) that, on becoming aware of it being 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;

(b) if the person or company proves that, after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(c) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or

(d) 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.

The amount recoverable shall not exceed the price at which the Units were offered under the offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and individually 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 individually liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

No action shall be commenced to enforce these contractual rights more than:

(a) 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

(b) in the case of an action for damages, the earlier of: (i) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or (ii) three years after the date the purchaser signs the agreement to purchase the Units.

Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (the "PEI Act") provides to a purchaser who purchases a security offered by an offering memorandum (such as this offering memorandum) containing a misrepresentation, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against (a) the issuer, (b) the selling security holder on whose behalf the distribution is made, (c) every director of the issuer at the date of the offering memorandum, and (d) every person who signed the offering memorandum.

If an offering memorandum contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

A person, other than the issuer and selling security holder, is not liable if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

(b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

Not all defences upon which the issuer or others may rely are described herein. Please refer to the full text of the PEI Act for a complete listing.

In an action for damages, the defendant is not liable for any damages that he or she proves do not represent the depreciation in value of the security resulting from the misrepresentation. In addition, the amount recoverable must not exceed the price at which the securities purchased by the purchaser were offered.

Section 121 of the PEI Act provides that no action may be commenced to enforce any of the foregoing rights more than:

(a) 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

(b) in the case of any action other than an action for rescission: (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 giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Northwest Territories

Section 112 of the *Securities Act* (Northwest Territories) provides that if an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against (i) the issuer; (ii) the selling security holder on whose behalf the distribution is made; (iii) every director of the issuer at the date of the offering memorandum; (iv) every person who signed the offering memorandum; and

(a) a right of rescission against: (i) the issuer; or (ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above. If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum. If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) 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, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

No action may be commenced to enforce a right more than,

(a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or

(b) in the case of any action other than an action for rescission, (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 giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Nunavut

Section 112 of the *Securities Act* (Nunavut) provides that if an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against: (i) the issuer; (ii) the selling security holder on whose behalf the distribution is made; (iii) every director of the issuer at the date of the offering memorandum; and (iv) every person who signed the offering memorandum; and

(b) a right of rescission against: (i) the issuer; or (ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above. If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum. If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) 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, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person: (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

No action may be commenced to enforce a right more than,

(a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or

(b) in the case of any action other than an action for rescission, (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 giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Yukon

Section 112 of the *Securities Act* (Yukon) provides that if an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against: (i) the issuer; (ii) the selling security holder on whose behalf the distribution is made; (iii) every director of the issuer at the date of the offering memorandum; and (iv) every person who signed the offering memorandum; and

(b) a right of rescission against: (i) the issuer; or (ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above. If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum. If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, withdrew the person's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) 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, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person: (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

No action may be commenced to enforce a right more than,

(a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or

(b) in the case of any action other than an action for rescission, (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 giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

British Columbia, Alberta and Quebec

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Quebec) do not provide, or require the issuer to provide to purchasers resident in the Province of Alberta purchasing under the exemption contained in section 2.3 (the "accredited investor exemption") of NI 45-106 and to purchasers resident in British Columbia or Quebec any rights of action in circumstances where this offering memorandum or an amendment hereto contains a misrepresentation, the issuer hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

The rights summarized above are in addition to and without derogation from any other rights or remedy which investors may have at law.