PANGAEA FLOW-THROUGH FUND 2017 LIMITED PARTNERSHIP
OFFERING MEMORANDUM

Date	**August 11th, 2017**
The Issuer	**Pangaea Flow-Through Fund 2017 Limited Partnership (the "Issuer")**
Head office	1501-150 Ferrand Drive, Toronto ON M3C 3E5
Phone	(416) 363-5991
Email	mlmckeever@pangaea-asset.com
Currently listed or quoted?	**These securities do not trade on any exchange or market.**
Reporting Issuer?	No
SEDAR Filer?	No

The Offering

Securities offered	Up to 100,000 units of the Issuer (the "**Units**"), comprised of Class A and/or Class F limited partnership units. Class A and Class F units are identical, except for the fees applicable to each class.
Price per security	$100 per Unit
Minimum/Maximum offering	Minimum of 5,000 Units ($500,000) / Maximum of 100,000 Units ($10,000,000)

Funds available under the Offering may not be sufficient to accomplish our proposed objectives.

Minimum subscription	50 Units ($5,000)
Payment terms	Payment in full by **bank draft or certified cheque**, **payable to ``Pangaea Flow-Through GP Inc.``** with the memo line indicating**: "In trust for Pangaea Flow-Through Fund 2017 LP"**
Proposed closing date	Multiple Closings, with a final Closing on or before December 15, 2017.
Income tax consequences	There are important income tax consequences to these securities. See Item 6.
Selling Agents	Yes. See Item 7.

Resale Restrictions	**You will be restricted from selling your securities for an indefinite period. See Item 10.**
Purchasers' rights	You have **two business days to cancel** your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to either sue for damages or to cancel the agreement. **See Item 11**.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.

This Offering Memorandum constitutes an offering of these securities only in the Offering Jurisdictions and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. These securities do not trade on any exchange or market. The issuer is not a reporting issuer. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of these securities. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. 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. Capitalized terms used herein have the meaning ascribed thereto in the glossary on page 7.

THIS IS A BLIND POOL OFFERING. THESE SECURITIES ARE SPECULATIVE IN NATURE. The purchase of Units involves significant risks. There is no assurance of a return on an investor's initial investment. There is no market through which the Units may be sold and purchasers may not be able to resell Units purchased by way of private placement pursuant to this Offering. No market for the Units is expected to develop. An investment is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There is no guarantee that an investment in the Partnership will earn a specified rate of return or any return in the short or long term. Flow-Through Shares may be issued to the Partnership at prices greater than the market prices of ordinary common shares of the Resource Companies and may be subject to resale restrictions. Limited Partners must rely on the discretion of the Investment Fund Manager and the Portfolio Manager for the management of the Partnership's portfolio. There can be no Lassurance that the Investment Fund Manager and the Portfolio Manager, on behalf of the Partnership, will be able to identify a sufficient number of investments to permit the Partnership to commit its Available Funds to purchase Flow-Through Shares by December 31, 2017. Therefore, the possibility exists that capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income for income tax purposes. Fluctuations in the market price of securities acquired by the Partnership may occur for a number of reasons beyond the control of the General Partner or the Partnership and there is no assurance that an adequate market will exist for such securities. The business activities of the Resource Companies are speculative and may be adversely affected by factors outside the control of those issuers. Limited Partners who sell their Units may not realize proceeds equal to their pro rata share of the Net Asset Value because of their liability for tax on capital gains arising as a result of disposition of Units. The tax benefits resulting from an investment in the Partnership are greatest for an individual Limited Partner whose income is subject to the highest marginal income tax rate. Federal or provincial income tax legislation may be amended, or its interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Units. Distributions from the Partnership to Limited Partners in a year, if any, may not be sufficient to pay fully any tax that a Limited Partner may owe as a result of being a Limited Partner of the Partnership in that year. Other risk factors associated with an investment in the Partnership include: certain risks inherent in resource operations; Limited Partners could lose their limited liability in certain circumstances; and the General Partner has only nominal assets. There are no assurances that a Mutual Fund Rollover Transaction will be implemented. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of the investment. See Item 8.

Although the Units are transferable in limited circumstances and subject to the conditions of the Partnership Agreement and applicable securities laws, there is no market through which the Units purchased under this Offering Memorandum may be sold and none is expected to develop. Purchasers may not be able to resell Units purchased under this Offering Memorandum.

The federal tax shelter identification number for the Partnership is **TS086488**. The identification number issued for this tax shelter must be included in any income tax return filed by an investor. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

There is no market through which the Units may be sold and none is expected to develop. Consequently, the only liquidity option available to investors of the Partnership may be a Mutual Fund Rollover Transaction or, if a Mutual Fund Rollover Transaction is not implemented on or before October 31, 2018, the Dissolution Transaction on or before November 30, 2018. You will be restricted from selling your securities for an indefinite period. See Item 10.

The General Partner or its agent will have the right, in its sole and absolute discretion, to reject any offer to purchase, in whole or in part, for any reason and the right is reserved to close the offering books at any time without notice. The Initial Closing for the Partnership is expected to take place two business days after subscriptions for at least 5,000 Units of the Partnership are received by the General Partner, which is anticipated to be on or about November 30, 2017.

Pangaea will hold subscription agreements received from investors prior to the Initial Closing until subscriptions for the minimum Offering are received and other Closing conditions of this Offering have been satisfied, at which time the Closing will

take place. Pangaea will deposit subscription cheques into an account in trust for the Partnership. If the minimum Offering is not subscribed for at initial closing, proceeds will be returned, without interest or deduction, to the investors.

SUMMARY OF KEY DATES

Projected Date	**Event**
Anticipated to be on or about October 31, 2017 but not later than December 31, 2017	Initial Closing - Investors purchase at least 5,000 Units and pay full purchase price of $100 per Unit.
March 31, 2018	2017 T5013 federal tax receipts sent to Limited Partners.
April 30, 2018	General Partner will make available to the Limited Partners copies of audited financial statements of the Partnership.
October 31, 2018	Possible implementation of Mutual Fund Rollover Transaction, subject to earlier dissolution.
November 30, 2018	Dissolution of Partnership pursuant to a Dissolution Transaction (in the event that the Mutual Fund Rollover Transaction does not occur.)

FORWARD-LOOKING STATEMENTS

Certain statements included in this Offering Memorandum constitute forward-looking statements, including those identified by the expressions ‘‘anticipate’’; ‘‘believe’’; ‘‘plan’’; ‘‘estimate’’; ‘‘expect’’; ‘‘may’’; ‘‘intend’’; and similar expressions to the extent they relate to the Partnership, the General Partner or the Portfolio Manager. These forward-looking statements are not historical facts but reflect the Partnership’s, the General Partner’s, and/or the Portfolio Manager’s current expectations regarding future results or events.

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These risks and uncertainties include, but are not limited to, changes in the global economy, general economic and business conditions, existing governmental regulations, supply, demand and other market factors specific to the resource sector and to the securities of mining, oil & gas, energy, and resource related companies, including those set out under ‘‘Risk Factors’’. In light of the many risks and uncertainties surrounding the resource sector, the forward-looking statements contained in this Offering Memorandum may not be realized. See Item 8.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Forward-looking statements are made as of the date hereof, or such other date specified in such statements, and neither the General Partner, on behalf of the Partnership, nor any other person assumes any obligation to update or revise such forward-looking statements to reflect new information, events or circumstances, except as required by law.

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GLOSSARY

When used in this Offering Memorandum dated August 11th, 2017, as it may be amended and/or amended and restated from time to time (the "Offering Memorandum"), the following terms have the following meanings ascribed thereto:

"**affiliate**" means an affiliated entity within the meaning of NI 45-106.

"**Agency Agreement**" means an agency agreement among the Partnership, the General Partner, and each of the Agents, pursuant to which the Agents have agreed to offer the Units for sale on a best efforts basis, as amended from time to time.

"**Agents**" means, collectively, Pangaea, an exempt market dealer, and such other registered dealers that may be appointed under an Agency Agreement and "**Agent**" means any one of them.

"**Agents' Fee**" means the sales commission to be paid by the Partnership to the Agents pursuant to the Agency Agreement, in an amount of up to 6% of the selling price for each Class A Unit.

"**Auditor**" means Goodman & Associates LLP, Chartered Professional Accountants.

"**Available Funds**" means all funds available from the sale of Class A units and the Class F units of the Partnership after deducting the Agents' Fees and the General Partner's Fee for investment by the Partnership, as applicable.

"**Capital Contribution**" means the amount of cash contributed to the Partnership by a Limited Partner, which shall be $100.00 per Unit purchased;

"**CDE**" means Canadian development expense as defined in subsection 66.2(5) of the Tax Act, but in any case excluding CEDOE.

"**CEDOE**" means Canadian exploration and development overhead expenses as prescribed under the regulations to the Tax Act for purposes of subsections 66(12.6), 66(12.601) and 66(12.62) of the Tax Act.

"**CEE**" means Canadian exploration expense as defined in subsection 66.1(6) of the Tax Act (which includes CRCE), but in any case excluding CEDOE, expenses in respect of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act and expenses that are deemed to be Canadian exploration expenses by subsection 66.1(9) of the Tax Act, and which includes:

(a) certain expenses incurred for the purpose of exploring for petroleum or natural gas in Canada (including certain drilling expenses);
(b) certain expenses incurred for the purpose of determining the existence, location, extent or quality of a mineral resource in Canada; and
(c) certain expenses incurred in respect of certain alternative energy projects.

"**Class**" means any of the two classes of Units, being the Class A Units or the Class F Units, and "**Classes**" means both of them.

"**Class A Unit**" means a unit of the Partnership with an undivided interest in the assets attributable to the Class A Units entitling the holder of record thereof to the rights, restrictions, privileges and obligations provided in the Partnership Agreement.

"**Class A Available Funds**" means the Gross Proceeds of the issue of Class A Units, less the amount of Agents' Fees and the General Partner's Fee for investment by the Partnership, as applicable.

"**Class F Unit**" means a unit of the Partnership with an undivided interest in the assets attributable to the Class F Units entitling the holder of record thereof to the rights, restrictions, privileges and obligations provided in the Partnership Agreement.

"**Class F Available Funds**" means the Gross Proceeds of the issue of Class F Units, less the amount of the General Partner's Fee for investment by the Partnership, as applicable.

"**Closing**" means any closing of the sale of Units of the Partnership to investors pursuant to the Offering.

"**Closing Date**" means the date upon which a Closing takes place but, in any event, not later than December 31, 2017.

"**Commitment**" with respect to each Limited Partner means the aggregate amount of cash agreed to be contributed as capital to the Partnership by such Limited Partner, to be calculated as the Subscription Price for the purchase of Units, as specified in the subscription agreement(s) between such Limited Partner and the General Partner, less the Agents' Fee applicable to such Units.

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

"**CRCE**" means Canadian renewable and conservation expense as defined in subsection 66.1(6) of the Tax Act and the regulations thereunder, and is a category of CEE.

"**Custodian**" means Raymond James Ltd.

"**Custodian Agreement**" means an agreement to be entered into by the Partnership, the General Partner and the Custodian on or before the Initial Closing pursuant to which the Custodian will hold the investment portfolio of the Partnership.

"**Dissolution Transaction**" means the dissolution of the Partnership and the distribution of the net assets of the Partnership to its Limited Partners and the General Partner in the form of cash or other assets (other than in connection with a Mutual Fund Rollover Transaction).

"**ETFs**" means exchange-traded funds.

"**Eligible Expenditures**" means expenditures in respect of resource exploration and development that qualify as CEE (including CRCE) or as Qualifying CDE.

"Extraordinary Resolution" means a resolution passed by two-thirds or more of the votes cast, either in person or by proxy, at a duly constituted meeting of Limited Partners called for the purpose of considering such resolution, at which a quorum (as defined in the Partnership Agreement) is present or, alternatively, a written resolution signed in one or more counterparts by Limited Partners holding two-thirds or more of the Units outstanding and entitled to vote on such resolution at a meeting.

"**Flow-Through Investment Agreements**" means agreements pursuant to which the Partnership will subscribe for Flow- Through Shares (including Flow-Through Shares issued as part of a unit) or Special Warrants or agreements by the Partnership to otherwise invest in or purchase securities of a Resource Company, and:

(a) in respect of Flow-Through Shares not offered as part of a unit or in respect of Special Warrants entitling the holder to acquire Flow-Through Shares only, the Resource Company will covenant and agree to use 100% of the purchase price paid to it to incur, and renounce to the Partnership, with an effective date of not later than December 31, 2017, CEE or Qualifying CDE;

(b) in respect of Flow-Through Shares comprised in units, the Resource Company will covenant and agree:
   (i) that the purchase price is reasonably allocable, and will be allocated by the Resource Company, such that, in certain circumstances, 99% and, in no circumstances, less than 95% of the purchase price is allocated to the price for the Flow-Through Share comprised in such units; and
   (ii) to use 100% of the purchase price so allocated for the Flow-Through Shares comprised in such units to incur, and renounce to the Partnership, with an effective date of not later than December 31, 2017, CEE or Qualifying CDE; or

(c) in respect of Special Warrants entitling the holder to acquire Flow-Through Shares and other securities, the Resource Company will covenant and agree:
   (i) that the purchase price is reasonably allocable, and will be allocated by the Resource Company, such that no in no circumstances, less than 95% of the purchase price is allocated to the price for the right to acquire Flow-Through Shares comprised in such Special Warrants; and
   (ii) to use 100% of the purchase price so allocated for the right to acquire Flow-Through Shares comprised in such Special Warrants to incur, and renounce to the Partnership, with an effective date of not later than December 31, 2017, CEE or Qualifying CDE.

"**Flow-Through Shares**" means securities of Resource Companies which qualify as flow-through shares, as defined in subsection 66(15) of the Tax Act, and in respect of which Resource Companies agree to renounce Eligible Expenditures to the Partnership, and includes rights entitling the Partnership to acquire such securities, which rights qualify as flow-through shares for the purposes of the Tax Act and, for the purposes of this Offering Memorandum, shall also include Super Flow-Through Shares.

"**General Partner**" means Pangaea Flow-Through GP Inc. and its successors as provided in the Partnership Agreement.

"**General Partner's Fee**" means the fee equal to up to 6% of the Gross Proceeds payable at each Closing by the Partnership to the General Partner from which the General Partner will pay the Offering Expenses of the Partnership and certain operating expenses of the Partnership, including, without limitation, legal and audit fees, Investment Fund Manager's Fee, and Portfolio Manager's Fees.

"**Government Issuers**" means the Government of Canada or any agency thereof or the government of any province or territory of Canada or any agency thereof.

"**Gross Proceeds**" means the sum of the total number of Units sold pursuant to the Offering multiplied by $100, being the price per Unit.

"High Quality Liquid Investments" means: (i) obligations issued or guaranteed by the Government of Canada or any province of Canada or any agency or instrumentality thereof with less than 12 months to maturity; (ii) term deposits, guaranteed investment certificates or banker's acceptances of or guaranteed by any Canadian chartered bank or any other financial institution, the short-term debt or deposits of which have been rated at least investment grade by Standard & Poor's rating service, a division of the McGraw Hill Companies, Inc., Moody's Investors Services, Inc. or DBRS Limited, or a money market mutual fund with similar constraints; and (iii) commercial paper rated at least investment grade by Standard & Poor's rating service, a division of the McGraw Hill Companies, Inc., Moody's Investors Services, Inc. or DBRS Limited, in each case maturing within 365 days after the date of acquisition, or for which the Portfolio Manager believes that there will be a liquid market for the resale thereof within such 365-day period.

"**Illiquid Investments**" means investments which may not be readily disposed of in a marketplace where such investments are normally purchased and sold and public quotations in common use and in respect thereof are available, and includes limited partnership interests that are not listed on a stock exchange and securities of private companies, but do not include Flow-Through Shares of publicly listed companies with resale restrictions which expire on or before December 31, 2017, unlisted Warrants or Special Warrants, or Flow-Through Shares or other securities of a special purpose private company or partnership formed to undertake a specific resource property exploration or development program, the securities of which are convertible, commencing no later than two years plus one day following the date of acquisition of such securities by the Partnership, into shares of a listed Resource Company whose market capitalization is at least $1 million.

"**Index-based Securities**" means index-based investment products that allow the purchase and sale of entire portfolios of securities in a single security.

"**Initial Closing**" means the first closing of the sale of Units of the Partnership to an investor pursuant to the Offering.

"**Initial Limited Partner**" means Linda Palin, an individual who purchased the first Unit (the **"Initial Unit"** that will be redeemed by the Partnership on or prior to the Closing**.**

"**Investment Fund Management Agreement**" means the investment fund management agreement dated August 11, 2017 among the General Partner, the Partnership, and the Investment Fund Manager, as amended from time to time.

"**Investment Fund Manager**" means Pangaea or its successors or such other affiliated entity as is acceptable to the Partnership.

"**Investment Fund Manager's Fee**" means a fee equivalent to 2% of the Gross Proceeds payable by the General Partner to the Investment Fund Manager from the General Partner's Fee

"**Investment Guidelines**" means the investment policies and restrictions set forth in the Partnership Agreement as described herein.

"**Investment Portfolio**" means the portfolio of investments of the Partnership, managed by the Portfolio Manager.

"**Issuer**" means Pangaea Flow-Through Fund 2017 Limited Partnership.

"**Limited Partners**" means holders of Units of the Partnership whose names and other prescribed information appear on the record of limited partners maintained by the Partnership pursuant to the *Limited Partnerships Act (Ontario)*.

"**Liquidity Event**" means a transaction implemented by the General Partner or, in the General Partner's sole discretion, proposed for the approval of the Limited Partners in order to provide liquidity and the prospect for long-term growth of capital and for income for Limited Partners which the General Partner intends will be a Mutual Fund Rollover Transaction provided that the General Partner will propose or implement no such transaction which adversely affects the status of the Flow-Through Shares as flow-through shares for purposes of the Tax Act, or causes the Partnership to be a "SIFT partnership" as that term is defined in section 197(1) of the Tax Act, whether prospectively or retrospectively.

"**Mutual Fund**" means a "mutual fund corporation" as defined in subsection 131(8) of the Tax Act that may be established, recommended or referred to by the Investment Fund Manager or an affiliate of the Investment Fund Manager to provide a Liquidity Event, and which will be managed by the Investment Fund Manager, if and when established.

"**Mutual Fund Rollover Transaction"** means an exchange transaction pursuant to which the Partnership will transfer its assets on a tax-deferred basis to a Mutual Fund in exchange for shares of the Mutual Fund.

"**Net Asset Value**" (**"NAV"**) and "**Net Asset Value per Unit**" **("NAVPU"**) have the meanings given to those terms under the heading "Valuation of Investments – Valuation Principles".

"NI 31-103" means National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities Administrators.

"**NI 45-106**" means National Instrument 45-106 - *Prospectus Exemptions* of the Canadian Securities Administrators.

"**NI 81-106**" means National Instrument 81-106 - *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators.

"**Offering**" means the private placement of Units of the Partnership pursuant to the terms of this Offering Memorandum and the Partnership Agreement and the applicable Subscription Agreement and Power of Attorney Forms.

"Offering Expenses" means expenses related to the Offering and each Closing, including the costs of creating and organizing the Partnership, the costs of printing and preparing this Offering Memorandum, legal and audit and accounting expenses of the Partnership, travel, distribution, courier, sales and marketing expenses and legal and other reasonable expenses incurred by the General Partner, Investment Fund Manager, and Agents, other incidental expenses, and any applicable taxes.

"**Offering Jurisdictions**" means collectively, the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario.

"**Pangaea**" means Pangaea Asset Management Inc., an exempt market dealer registered in Ontario, British Columbia, Alberta, Saskatchewan, and Manitoba; the Investment Fund Manager, an investment fund manager registered in Ontario, British Columbia, Alberta and Saskatchewan; and the Portfolio Manager, a portfolio manager registered in Ontario, British Columbia, Alberta, and Saskatchewan.

"**Partnership**" means Pangaea Flow-Through Fund 2017 Limited Partnership, a limited partnership formed pursuant to the filing of a declaration with the Registrar in accordance with the Limited Partnership Act (Ontario).

"**Partnership Agreement**" means the limited partnership agreement of the Partnership dated August 11, 2017 among the General Partner, the Initial Limited Partner, and each person who becomes a Limited Partner thereafter, as amended from time to time.

"**Performance Bonus**" means the amount payable by the Partnership to the General Partner equal to 20% of the product of: (a) the number of the applicable class of Units outstanding on the Performance Bonus Date; and (b) the amount by which the Net Asset Value per Unit for the applicable class of Units on the Performance Bonus Date (prior to giving effect to the Performance

Bonus) plus the aggregate value of all distributions on the Units under Article 7 of the Partnership Agreement during the Performance Bonus Term exceeds $100.00. The GP will pay 75% of any Performance Bonus to the Portfolio Manager.

"**Performance Bonus Date**" means the Business Day immediately prior to the last day of the Performance Bonus Term and is the date upon which the Performance Bonus will be calculated.

"**Performance Bonus Term**" means the period commencing on the date of the final Closing and ending on the earlier of: (a) the Business Day prior to the date on which the Partnership's assets are transferred to a Mutual Fund pursuant to a Mutual Fund Rollover Transaction; and (b) the Business Day immediately prior to the Dissolution Transaction.

"**Portfolio Management Agreement**" means the fund portfolio management agreement dated August 11, 2017 among the General Partner, the Partnership, and the Portfolio Manager;

"**Portfolio Manager**" means Jean-Guy Masse of Northern Precious Metals or his successors or such other affiliated entity as is acceptable to the General Partner.

"**Portfolio Manager's Fee**" means a fee equal to 1.0% of the first Gross Proceeds of $1,000,000 and a fee equal to 1.5% of the incremental Gross Proceeds over and above the first $1,000,000 of Gross Proceeds. He will also receive 25% of the Wind-Up fee on Net Asset Value (NAV) under $3,500,000 and 50% of the Wind-Up fee on NAV over $3,500,000. All fees to the Portfolio Manager will be paid by the GP.

"**Qualifying CDE**" means CDE which may be renounced by a Resource Company under the Tax Act as CEE, but which excludes any CDE which is deemed to qualify as CEE of a Resource Company under subsection 66.1(9) of the Tax Act.

"**Raymond James Ltd.**" see the definition of "Custodian";

"Register" means the register of Limited Partners required to be maintained by the Partnership at the Partnership's registered office, pursuant to Subsection 4.1 of the Limited Partnership Act;

"**Registrar and Transfer Agent**" means Pangaea, which will act as the registrar and transfer agent of the Partnership in its capacity as Investment Fund Manager.

"Related Corporation" means a corporation that is related to a Resource Company for the purposes of subsection 251(2) or 251(3) of the Tax Act.

"**Related Issuer"** means any company or limited partnership in respect of which the General Partner, the Investment Fund Manager or any of their respective affiliates, directors or officers, individually or together, beneficially own or exercise direction or control over, directly or indirectly, more than 20% of the outstanding voting securities or act as general partner thereof.

"**Resource Company**" means a corporation which represents to the Partnership that: (a) it is a "principal-business corporation" as defined in subsection 66(15) of the Tax Act, which includes corporations whose principal business is oil and gas exploration, development and/or production, mining exploration, development, and/or production and certain renewable energy projects that will give rise to incurring CRCE; and (b) it intends (either by itself or through a Related Corporation) to incur Eligible Expenditures in Canada;

"**Special Warrants**" means a special warrant of a Resource Company which entitles the holder to acquire, for payment of no additional consideration, a Flow-Through Share of a listed Resource Company or a unit of securities which includes a Flow-Through Share of a listed Resource Company.

"**Subscription Agreement and Power of Attorney Form**" means the subscription agreement and power of attorney form between each investor and the Partnership in the form provided by the Partnership in connection with this Offering and attached hereto.

"**Subscription Price**" means the amount of $100 paid to the Partnership for the issue of each Unit of the Partnership.

"Super Flow-Through Shares" means Flow-Through Shares of qualifying mineral resource companies that are eligible for an additional 15% non-refundable federal tax credit.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time, and includes the regulations thereunder.

"**Termination Date**" means the earliest of: (i) November 30, 2018, unless the Partnership is extended pursuant to the Partnership Agreement; (ii) the date upon which the Partnership disposes of all its assets, and otherwise ceases to carry on an active business; and (iii) a date determined and approved by the General Partner and authorized by an Extraordinary Resolution unless the Partnership is dissolved on a different date in accordance with the Partnership Agreement.

"**Transfer Agreement**" means an agreement to be entered into between a mutual fund corporation and the Partnership that provides for a Mutual Fund Rollover Transaction, together with all amendments, supplements, restatements and replacements thereof from time to time.

"**Unit**" means a Class A unit or a Class F unit of limited partnership interest in the Partnership, and together, referred to as the "**Units"**.

"**Warrants**" means a warrant exercisable to purchase shares or other securities of a Resource Company (which shares or other securities may or may not be Flow-Through Shares).

"**Wind-Up Administration Fee"** means the administrative fee equal to 2.0% of Net Asset Value of the Partnership payable by the Partnership to the General Partner, calculated and payable as of the date immediately prior to the earlier of: (i) the date of Mutual Fund Rollover Transaction, and (ii) the Dissolution Transaction, and, in any event, prior to the calculation of the Performance Bonus, if any.

Item 1: AVAILABLE FUNDS

1.1 Funds

The following table sets out the gross proceeds of the Offering and the Available Funds for the Partnership in connection with each of the maximum and minimum Offering for Units:

		Assuming Minimum Offering		Assuming Maximum Offering	
		Class A Units	**Class F Units**	**Class A Units**	**Class F Units**
A.	Amount to be raised by this offering	$500,000	$500,000	$10,000,000	$10,000,000
B.	Selling commissions and fees[1]	$30,000	$0	$600,000	$0
C.	Estimated offering costs (e.g. management, legal, accounting, audit etc.)[2]	$30,000	$30,000	$600,000	$600,000
D.	Available funds: D = A - (B+C)	$440,000	$470,000	$8,800,000	$9,400,000
E.	Additional sources of funding required	$0	$0	$0	$0
F.	Working capital deficiency	$0	$0	$0	$0
G.	Total: G = (D+E) – F	$440,000	$470,000	$8,800,000	$9,400,000

Notes:
[1] Agents will receive a selling commission of up to 6% of the Gross Proceeds of the sale of Class A units.
[2] The General Partner's Fee of up to 6% of the Gross Proceeds of both Class A and Class F units will cover certain offering costs and ongoing operating expenses of the Issuer.

General Partner's Fee

The Partnership will pay to the General Partner a fee equivalent to up to 6% of the Gross Proceeds of the sale of the Units, being, in the case of the maximum Offering, an aggregate of $600,000 and, in the case of the minimum Offering, an aggregate of $30,000. The General Partner's Fee includes any applicable taxes.

The expenses of the Offering, which include the costs of creating and organizing the Partnership, the costs of printing and preparing this Offering Memorandum, legal, audit and accounting expenses of the Partnership, travel, distribution, courier, sales and marketing expenses and other reasonable out-of-pocket expenses incurred by the General Partner and, for the Class A shares, the Agents, and certain other incidental expenses, will be the responsibility of the General Partner and will be paid from the General Partner's Fee.

Similarly, the ongoing operating expenses of the Partnership, including applicable taxes, will be the responsibility of the General Partner, will be paid from the General Partner's Fee, and are expected to include: (a) mailing, printing and other expenses associated with providing periodic reports to Limited Partners; (b) fees payable in connection with financial record-keeping, Limited Partner reporting, and general operating and administrative services; (c) fees payable to the auditors, valuators, legal advisors and service providers of the Partnership; (d) taxes and ongoing regulatory filing fees; (e) any reasonable out-of-pocket expenses incurred by the General Partner or its Agents in connection with their ongoing obligations to the Partnership, including expenses in respect of any independent qualified persons retained to review any of investments; (f) expenses relating to portfolio transactions; and (g) insurance, if any.

The General Partner will pay the Investment Fund Manager's Fees and the Portfolio Manager's Fees from the General Partner's Fee.

Investment Fund Manager's Fees

Pursuant to the Investment Fund Management Agreement and in consideration for the Investment Fund Manager's services, the General Partner will pay to the Investment Fund Manager (from the General Partner's Fee) a fee equivalent to 2% of the Gross Proceeds of the sale of the Units. In addition, the General Partner will pay to the Investment Fund Manager an amount equal to 37.5% of the Wind-Up Administration Fee and 25% of the Performance Bonus paid to the General Partner by the Partnership, if any.

Portfolio Manager's Fee

Pursuant to the Portfolio Management Agreement and in consideration of the Portfolio Manager's services, the General Partner will pay to the Portfolio Manager (from the General Partner's Fee) a fee equal to 1.0% of the first Gross Proceeds of $1,000,000 and a fee equal to 1.5% of the incremental Gross Proceeds over and above the first $1,000,000 of Gross Proceeds. All fees to the Portfolio Manager will be paid by the GP.

Wind-Up Administration Fee

In consideration of the administration and costs of the winding up of the Partnership, the Partnership will pay to the General Partner a Wind-Up Administration Fee equivalent to 2.0% of the Net Asset Value of the Partnership, calculated and payable as of the date immediately prior to the earlier of: (i) the date of Mutual Fund Rollover Transaction, and (ii) the Dissolution Transaction, and in any event, prior to the Performance Bonus. The General Partner has agreed to pay to the Portfolio Manager 25% of that Wind-Up fee on Net Asset Value (NAV) under $3,500,000 and 50% of that Wind-Up fee on NAV over $3,500,000.

Performance Bonus

The General Partner will be entitled to the Performance Bonus, as an allocation of income from the Partnership. On the Performance Bonus Date, the Partnership will pay to the General Partner a Performance Bonus equal to 20% of the product of: (a) the number of Units outstanding on the Performance Bonus Date; and (b) the amount by which the Net Asset Value per Unit on the Performance Bonus Date (prior to giving effect to the Performance Bonus) plus the aggregate value of all distributions on Units under Article 7 of the Partnership Agreement during the Performance Bonus Term exceeds $100.00. The General Partner has agreed to pay to the Portfolio Manager a bonus of 75% of that Performance Bonus.

1.2 Use of Available Funds

Description of intended use of Available Funds, listed in order of priority	Assuming Minimum Offering		Assuming Maximum Offering	
	Class A Units	Class F Units	Class A Units	Class F Units
Investment in Resource Companies	$440,000	$470,000	$8,800,000	$9,400,000
Total: Equal to G in the Funds table above	$440,000	$470,000	$8,800,000	$9,400,000

In order to maximize the after-tax returns to its Limited Partners, the Partnership intends to invest an amount substantially equal to its Available Funds (i.e. the gross proceeds of the Offering less the Agents' Fees in respect of the Class A units and the General Partner's Fee in respect of both classes of the Units) in Flow-Through Shares such that its Limited Partners: (a) will be entitled to claim certain 2017 tax deductions from income for income tax purposes, and (b) may be entitled to claim certain 2017 tax credits in the case of qualified mineral exploration investments from income.

Any Available Funds that have not been committed by the Partnership to purchase Flow-Through Shares and other securities of Resource Companies prior to January 1, 2018, plus accrued interest thereon, will be distributed by January 31, 2018 on a *pro rata* basis to Limited Partners of record on December 31, 2017 in proportion to each Limited Partner's Sharing Rate. If uncommitted funds are returned in this manner, Limited Partners will not be entitled to claim all of the anticipated deductions from income for income tax purposes.

1.3 Reallocation

We intend to spend the Available Funds as stated in this Offering Memorandum. The Available Funds may not be reallocated.

2.0 BUSINESS OF PANGAEA FLOW-THROUGH FUND 2017 LIMITED PARTNERSHIP

The Partnership

The Partnership was formed pursuant to the provisions of the *Limited Partnerships Act* (Ontario) on August 11, 2017. The Initial Limited Partner of the Partnership is Linda Palin, who will withdraw from the Partnership following the completion of the Initial Closing. The head office of the Partnership is Suite 1501, 150 Ferrand Drive, Toronto, Ontario,

M3C 3E5.

The General Partner

The General Partner, Pangaea Flow-Through GP Inc., was incorporated under the laws of Canada on May 22, 2014. The General Partner is or will be extra-provincially registered in the Offering Jurisdictions. The General Partner is the general partner of the Partnership and has coordinated the organization and registration and established the Investment Guidelines of the Partnership. The General Partner will assist the Portfolio Manager with the identification of prospective investments in Resource Companies and the negotiation of the terms of such investments and will monitor the investment portfolio of the Partnership to ensure compliance with the Investment Guidelines.

Pangaea Asset Management Holding Co. Inc. owns 100% of the General Partner and of Pangaea Asset Management Inc. Linda Palin is the sole shareholder and Director of Pangaea Asset Management Holding Co. Inc. and sole Director of the General Partner. Pangaea Asset Management Inc., an exempt market dealer registered in each of the Offering Jurisdictions, will act as an Agent for purposes of this Offering. Pangaea Asset Management Inc. is also the Investment Fund Manager of the Partnership.

The Director of the General Partner and the Investment Fund Manager may from time to time be associated with other companies or entities that may give rise to conflicts of interest. A Director who has a material interest in any person who is a party to a material contract or proposed material contract with the General Partner and the Investment Fund Manager is required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the Director of the General Partner is required to act honestly and in good faith with a view to the best interests of the General Partner.

The General Partner and the Investment Fund Manager and their respective affiliates may engage in the promotion, management, or investment management of any other fund or partnership, including other funds, partnerships, or entities that invest primarily in Flow-Through Shares and Resource Companies in which the Partnership invests. The General Partner may contract with other Agents to distribute the Offering. Each Agent will be required to sign an Agency Agreement.

Item 2.0: OUR BUSINESS

SUMMARY

The business of the Partnership is investing in a diversified portfolio of flow-through securities.

ENERGY AND MINERAL RESOURCE SECTORS

The following information on the oil & gas, energy, alternative energy, and mineral resource sectors contains forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, strategy, indicators, and expectations for the resource sector and mining, oil & gas, energy and other resource companies. The statements reflect the General Partner's current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in the global economy, the impact of the current global economic growth weakness, changes in general economic and business conditions, existing governmental regulations, supply, demand, and other market factors. In light of the many risks and uncertainties surrounding the resource sector, the forward-looking statements contained in this Offering Memorandum may not be realized.

Industry Overview

Flow-Through Shares occupy a unique space in the array of financing instruments available to both mining and petroleum exploration companies. Flow-Through Shares allow exploration companies in need of capital to transfer either unused or unusable tax deductions to investors. By definition therefore, flow-through investments are very high risk and typically made during the early stages of resource development at the time in the resource discovery cycle of greatest unknown, or contrarily, at the time of greatest chance for first discovery and new wealth creation.

Mineral Exploration Sector

The metals and mining sector consists mainly of those companies that engage in exploration, development, and/or production of precious and base metals, coal and certain other minerals. For example, the Partnership may invest in Resource Companies that explore for, develop and/or produce gold, silver, zinc, copper, iron, lead, nickel, coal, platinum, uranium, diamonds and certain other gems. The General Partner believes that most precious and base metals and minerals can be expected to experience upward price pressures over the long-term as a result of current and expected gaps between supply and demand. This is expected to support potential growth in the underlying Resource Companies.

Current trends or events that may be expected to affect an investment in the Partnership include, but may not be limited to, the impact of the current global economic growth weakness, which may affect demand for metal and mineral-related commodities. In addition, the ability for Resource Companies to obtain needed project financing may be affected adversely by current capital market conditions. These factors may induce downward price pressures on both commodities and, as a result, underlying issuers within the sector as mining projects are potentially affected negatively. Despite recent volatility surrounding the current market environment, the General Partner believes many companies within the sector are currently trading at close to historical lows and, in many cases, trading below intrinsic value. These factors, combined with expected positive supply/demand fundamentals, may present opportunity for price appreciation over the long-term. Some circumstances may cause Flow-Through Shares to be issued by Resource Companies at prices that exceed those for similar common shares that do not provide the flow-through benefit..

Energy Sector

The energy sector consists mainly of those Resource Companies that engage in exploration, development, and/or production of oil and natural gas, including issuers engaged in renewable energy exploration and development. Current trends or events that may be expected to affect an investment in the Partnership include, but may not be limited to, the impact of the current global economic growth weakness that may affect demand for oil and gas related products. In addition, the ability for Resource Companies to obtain needed project financing may be adversely affected by current market conditions. These factors may induce downward price pressures on oil and gas prices and, as a result, underlying issuers within the sector as exploration, development and/or production projects may be affected negatively. Despite recent volatility surrounding the current market environment, the General Partner believes many companies within the sector are currently trading at levels which may be below intrinsic value. These factors, combined with an expected positive long-term supply/demand trend for the sector, may present opportunity for price appreciation over the long term.

Super Flow-Through Shares

In October 2000, the Canadian federal government introduced a temporary 15% non-refundable tax credit for investment in flow-through shares of qualified mineral resource companies which has been extended for flow-through investment agreements entered into prior to April, 2018. The tax credit would be in addition to the existing 100% deduction of eligible exploration expenditures and would be deductible from the federal portion of an individual's taxes. To distinguish the flow-through shares in respect of which the additional tax credit may be available from a "regular" flow-through share (typically issued by oil & gas resource companies), these shares are commonly referred to as "super" flow-through shares ("Super Flow-Through Shares"). The "super" flow-through share program has been very successful in helping junior companies raise much needed funding for mineral exploration. The Prospectors & Developers Association of Canada (PDAC) estimates the program has helped to raise over $2 billion for mineral exploration since its inception.

The chart below, prepared by the Prospectors and Developers Association of Canada (PDAC) for the 2016 taxation year, provides a breakdown of the after-tax cost of a $1,000 investment in flow-through shares that are eligible for the additional 15% non-refundable Mineral Exploration Tax Credit, by province of residence. The issuer may not be able to include shares of this type in the investment. This content is for informational purposes only and is not intended to be legal, tax, or other advice.

Investors should consult their own professional advisors prior to investing.

Super Flow-Through Shares for the 2016 Tax Year

After-Tax Cost of a $1,000 Investment by an Individual Investor by Province in 2015

	Notes		Manitoba	Quebec	B.C.	New Brunswick	Ontario	Nova Scotia	Sask.	P.E.I.	Yukon	Nfld. & Labrador	Northwest Territories	Nunavut	Alta.
Combined federal/provincial tax rate		A	46.40%	49.97%	45.80%	54.75%	49.53%	50.00%	44.00%	47.37%	44.00%	43.30%	43.05%	40.50%	39.00%
Federal tax rate		B	29.00%	24.22%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Provincial tax rate	(1), (8)	C	17.40%	25.75%	16.80%	25.75%	20.53%	21.00%	15.00%	18.37%	15.00%	14.30%	14.05%	11.50%	10.31%
Federal tax credit		D	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Provincial tax credit		E	30%	-	20%	-	5%	-	10%	-	-	-	-	-	-
Amount of investment		F	$ 1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Less: tax benefit of deduction of flow-through investment – federal		FxB	(290)	(242)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)
Less: tax benefit of deduction of flow-through investment – provincial	(2)	FxC	(174)	(309)	(168)	(258)	(205)	(210)	(150)	(184)	(150)	(143)	(141)	(115)	(100)
subtotal			(464)	(551)	(458)	(548)	(495)	(500)	(440)	(474)	(440)	(433)	(431)	(405)	(390)
Less: 15% non(refundable federal investment tax credit	(3)	G=Fx(1(E)xD	(105)	(150)	(120)	(150)	(143)	(150)	(135)	(150)	(150)	(150)	(150)	(150)	(150)
Less: provincial tax credit	(4)	H=ExF	(300)	-	(200)	-	(50	-	(100)	-	-	-	-	-	-
Add: income tax on inclusion of federal tax credit	(5)	GxA	49	36	55	82	71	75	59	71	66	65	65	61	59
Add: income tax on inclusion of provincial tax credit		HxA	139	-	92	-	25	-	44	-	-	-	-	-	-
			(681)	(665)	(631)	(616)	(592	(575)	(572)	(553)	(524)	(518)	(516)	(494)	(481)
Net cost of $1,000 investment in flow-through shares	(6), (7)		$ 319	335	369	384	408	425	428	447	476	482	484	506	519

Notes

(1) In Nfld and Labrador the provincial tax rate changed from 13.3% to 15.3% on July 1, 2015 so the effective rate for 2015 is 14.3%.

(2) The province of Quebec deduction is 120% for shares issued after June 4, 2014.

(3) The federal government allows a credit of 15% of qualifying expenditures incurred (or deemed incurred under the "look-back" rule) before January 1, 2017. However, flow-through share subscription agreements must be signed before April 1, 2015.

(4) Provincial tax credits reduce the amount of expenditures qualifying for the federal tax credit.

(5) In the case of Quebec, the formula is "GxB" since the federal investment tax credit is not taxed in Quebec.

(6) Capital gains tax applicable when the shares are sold is ignored in this analysis.

(7) Alternative minimum tax is ignored in this analysis.

(8) In Alberta, the provincial tax rate changed from 10% to 11.5% on October 1, 2015. The effective tax rate for 2015 is 10.31%.

Assumptions

- Taxpayers are subject to income taxes at top marginal rates.
- Canadian exploration expenses are 100% eligible for federal and provincial tax credits.
- Available tax deductions are taken in full.
- Exploration expenditures are made in the applicable province and the taxpayer is a resident of that province for tax purposes.

Source: **Prospectors and Developers Association of Canada.** Printed with permission. www.pdac.ca.

This chart is provided for general information only and the examples given will not apply in every case – benefits, if any, will differ by individual. The Issuer does not guarantee the accuracy of this information. This illustration is not intended to be legal, tax, or other advice. Investors should consult their own professional advisors prior to investing. This chart and any notes or references related to it do not form part of the tax opinion provided by Borden Ladner Gervais LLP.

Flow-Through Shares as Charitable Donations

If the mutual fund rollover transaction does not occur, an investor may be able to combine the tax benefits of a flow-through share with the preferential charitable deduction available under the Tax Act by donating certain of their flow-through share investments to a registered charity. ***Investors who consider donating any Flow-Through Shares that may be received on the dissolution of the Partnership should consult their tax advisors, having regard to their own particular circumstances.***

Investment Objectives and Strategies

The Partnership's investment objective is to provide for a tax-assisted investment in a diversified portfolio of equity securities of resource related companies such as mining, oil and gas, and energy , with a view to achieving some capital appreciation and significant tax benefits for Limited Partners. The Partnership will invest primarily in Flow-Through Shares of mining, oil & gas, energy, and related companies, including junior issuers, in accordance with its Investment Guidelines and investment strategies outlined herein. The allocation of the portfolio to any of the above sector will depend on opportunities at the time of investment. Only investors who seek exposure to the mining, oil& gas, energy and related companies should invest in the Partnership. In order to maximize the after-tax returns to Limited Partners, the Partnership intends to invest an amount substantially equal to its Available Funds in Flow-Through Shares such that its Limited Partners will be entitled to claim (a) certain tax deductions from 2017 income for income tax purposes and (b) certain 2017 tax credits available to individuals in the case of qualified mineral exploration investments, if any, from income for income tax purposes. .

Any interest earned on money not yet disbursed by the Partnership and dividends or interest received on Flow-Through Shares or High Quality Liquid Investments purchased by the Partnership will accrue to the benefit of the Partnership.

To reduce certain risks to Limited Partners, the Portfolio Manager will actively manage the Investment Portfolio, which may involve the sale and/or purchase of securities . Subject to the applicable hold periods, the Portfolio Manager may sell securities, with the approval of the General Partner) and invest the proceeds of sale in other securities of mining, oil & gas, energy, and resource related companies, bonds issued by Government Issuers, Index-based Securities or resource ETFs if it is of the opinion that it is in the best interests of the Partnership to do so.

Flow-Through Shares and other securities of certain mining, oil & gas, and energy resource companies purchased pursuant to exemptions from the prospectus requirements of applicable securities legislation will be subject to resale restrictions. It is expected that the resale restrictions applicable to substantially all of the Flow-Through Shares and other securities of the Resource Companies purchased by the Partnership in any Canadian jurisdiction will expire after a four-month period. Partnership will acquire Flow-Through Shares in accordance with its Investment Guidelines. By investing in a number of Resource Companies, the Partnership will benefit from the reduced risks associated with portfolio diversification. The Partnership intends to invest in mining, oil & gas, energy, and resource related companies that will incur Eligible Expenditures and that (i) represent good value in a low price environment; (ii) are liquid; (iii) have experienced management; (iv) have an exploration program in place; and (v) offer potential for future growth.

To support liquidity, the Partnership will not invest in securities of Resource Companies that are not traded on a stock exchange.

Investment Guidelines

The Partnership will follow the Investment Guidelines for the Partnership set forth in the Partnership Agreement. The Investment Guidelines of the Partnership may be changed only by an Extraordinary Resolution passed by holders of 66 2/3 % of the Units of the Partnership voting thereon. For the purposes of the Investment Guidelines listed below, all amounts and percentage limitations will be determined on the date the relevant subscription or purchase agreement is entered into between the Partnership and a particular Resource Company, and any subsequent change in any applicable percentage resulting from changing assets will not require the disposition of any security from the Partnership's portfolio. As of the final Closing, the Partnership's Investment Guidelines provide, among other things, as follows:

(a) Resource Companies. The Available Funds will initially be invested by the Partnership in:
   (i) Flow-Through Shares of Resource Companies;
   (ii) units consisting of Flow-Through Shares and Warrants, provided that, in certain circumstances, not more than 5% of the aggregate purchase price under the relevant Investment Agreement shall be allocated and reasonably allocable to securities which do not qualify as Flow-Through Shares.

(b) Exchange Listing. The Partnership will invest the Available Funds in securities of Resource Companies that are listed on a stock exchange.

(c) Minimum Market Cap. The Partnership will invest at least 50% of the Available Funds in securities of issuers with a market capitalization of at least $10,000,000.

(d) Illiquid Investments. The Partnership will not invest the Available Funds in Illiquid Investments. This restriction shall not apply to Special Warrants if they are exercisable to acquire common shares that do not constitute Illiquid Investments.

(e) Diversification. The Partnership intends to invest no more than 20% of the Available Funds in securities of a single issuer.

(f) No Control. The Partnership will not own more than 10% of any class of securities (other than Warrants or Special Warrants) of any one issuer and securities will not be purchased by the Partnership for the purpose of exercising control over or management of an issuer.

(g) Transactions. The Partnership will not agree to enter into any transaction if such transaction, either alone or in combination with any other undertakings of the Partnership or a Prohibited Person, will entitle any Limited Partner or a person or partnership which for the purposes of the Tax Act does not deal at arm's length with such Limited Partner, to receive or obtain any amount or benefit, either immediately or at any time in the future and either absolutely or contingently, that reduces the impact of any loss such Limited Partner may sustain by virtue of holding Units unless the entire quantum of such amount or benefit arises because of an "excluded obligation" (as defined in subsection

6202.1(5) of the *Income Tax Regulations*) in relation to a share issued to the Partnership by a Resource Company.

(h) No Other Undertaking. The Partnership will not engage in any undertaking other than the investment of the Partnership's assets in accordance with these Investment Guidelines.

(i) Renewable Energy. The Partnership will not invest more than 20% of the Available Funds in Resource Companies that issue Flow-Through Shares in connection with renewable energy programs.

(j) No Commodities. The Partnership will not purchase or sell commodities.

(k) No Mutual Funds. The Partnership will not purchase securities of any mutual fund, other than Mutual Fund shares issued in connection with a Liquidity Event.

(l) No Guarantees. The Partnership will not guarantee the securities or obligations of any person.

(m) No Real Estate. The Partnership will not purchase or sell real estate or interests therein.

(n) No Lending. The Partnership will not lend money, provided that the Partnership may purchase High Quality Liquid Investments.

(o) Conflict of Interest. Not more than 10% of the Available Funds will be invested in Flow-Through Shares or other securities issued by issuers that are Related Entities.

(p) No Mortgages. The Partnership will not purchase mortgages.

(q) Short Sales. The Partnership may make short sales of securities for hedging purposes against existing positions held by the Partnership.

(r) No Derivatives. The Partnership will not purchase or sell derivatives.

In addition, the Investment Portfolio will be managed at all times in such a way as to preserve the ability to undertake a Liquidity Event.

For the purposes of these Investment Guidelines, all amounts (including market capitalization) and percentage limitations will initially be determined as of the date of investment, and any subsequent change in the applicable percentage will not require the disposition of any securities from the Investment Portfolio. However, once the General Partner directs the Portfolio Manager to prepare for winding up the Fund, if securities in the Investment Portfolio are disposed of, and at the time of disposition the Investment Portfolio does not comply with the Investment Guidelines, the proceeds of disposition may be used to purchase High Quality Liquid Investments and securities of issuers in the resource sector which will result in the Investment Portfolio being in compliance or closer to compliance with these Investment Guidelines.

FLOW-THROUGH INVESTMENT AGREEMENTS

On behalf of the Partnership, the General Partner will enter into Flow-Through Investment Agreements for the purchase of securities of Resource Companies. Generally, the Flow-Through Investment Agreements for the purchase of Flow-Through Shares provide that Resource Companies are to incur exploration and development expenditures that qualify as Eligible Expenditures. The Portfolio Management Agreement provides that the Portfolio Manager will monitor on an ongoing basis the performance of the Resource Companies (including following up with Resource Companies to confirm that they incur and renounce to the Partnership Eligible Expenditures within the time frames outlined in the Flow-Through Investment Agreement).

The Partnership will endeavour on or before December 31, 2017 to use its Available Funds to subscribe primarily for Flow-Through Shares in contemplation of the Resource Companies incurring Eligible Expenditures and renouncing Eligible Expenditures in an amount equal to the subscription price of the Flow-Through Shares to the Partnership, with an effective date no later than December 31, 2017. Flow-Through Investment Agreements entered into by the Partnership will provide that Eligible Expenditures must be incurred not later than December 31 of the year following which such agreement is

entered into and such Eligible Expenditures will be renounced to the Partnership with an effective date not later than December 31 of the year in which such agreement is entered into. **See "Risk Factors - Tax Related"**. The Flow-Through Investment Agreements may include rights of termination in favour of the Partnership and the Resource Companies that may be exercised in specified circumstances.

VALUATION OF INVESTMENTS

Valuation Principles

Following the final Closing and as may be required in the sole discretion of the Investment Fund Manager the Net Asset Value of the Partnership will be calculated after the close of business on the last day of any month (each a "**Valuation Date**). The Net Asset Value per unit is calculated by dividing the Net Assets of a particular class of units by the total number of units of that particular class outstanding at the end of the period. The Portfolio Manager will calculate the Net Asset Value on such Valuation Date by subtracting the aggregate amount of the Partnership's liabilities from the aggregate of the Partnership's assets. The Partnership's assets will be valued in accordance with the following principles:

(a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on a date before the date as of which the Net Asset Value is being determined and to be received), and interest accrued and not yet received, shall be deemed to be the full amount thereof;
(b) the value of any security which is listed on a stock exchange will be the closing sale price on such date or, if there is no closing sale price, the simple average of the closing bid and the closing ask prices on such date, all as reported by any report in common use or authorized by such stock exchange;
(c) the value of securities quoted in foreign currencies will be converted to Canadian dollars at the exchange rate at noon on such date as announced by the Bank of Canada;
(d) the value of any security which is traded on an over-the-counter market will be the closing sale price on such date or, if there is no closing sale price, the simple average of the closing bid and the closing ask prices on such date, all as reported by the financial press or an independent reporting organization;
(e) tax deductions which accrue to holders of Units shall not be taken into account in making such determination; and
(f) the value of any security or property or other assets to which, in the opinion of the Portfolio Manager and the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided or for any other reason) shall be valued at cost or the fair value thereof determined in good faith in such manner as the Portfolio Manager and the General Partner from time to time adopt.

If an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Portfolio Manager and the General Partner to be inappropriate under the circumstances, then notwithstanding such rules, the Portfolio Manager and the General Partner will make such valuation as they consider fair and reasonable and, if there is an industry practice, in a manner consistent with industry practice for valuing such investment.

Audit of Financial Statements

The annual financial statements of the Partnership shall be audited by the Partnership's auditors in accordance with the requirements of the International Financial Reporting Standards ("IFRS"). The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with ACSB standards.

2.3 Development of Business

Pangaea Asset Management Inc. is an independent, privately-held investment firm. Founded in 2005, Pangaea has two core products. Its first is the Pangaea Global Equity Fund LP, which is structured to help clients increase diversification and gain exposure to global investment opportunities. The second is Flow-Through Funds, with the current fund being Pangaea Flow-Through Fund 2017 LP, which seeks to offer clients an opportunity to participate in the Canadian resource industry in a diversified and tax-advantaged manner. Management created the Partnership in recognition of the value of flow-through to Canada in assisting the development of the resource industry and to clients in providing tax assistance and diversification.

In 2013, the Pangaea-EMR General Partner Inc. and the Pangaea-EMR Flow-Through Fund I Limited Partnership were launched. That limited partnership closed on December 31, 2013. In May, 2014, Pangaea established the Pangaea Flow-Through GP Inc., which is the General Partner for Pangaea-EMR Flow-Through Fund 2 Limited Partnership, Pangaea

Flow-Through Fund 3 Limited Partnership Pangaea Flow-Through Fund 2016 Limited Partnership, and now, Pangaea Flow-Through Fund 2017 Limited Partnership. Each of the four prior Pangaea Flow-Through Funds successfully invested all Available Funds in flow-through shares of Canadian Resource Companies. The Pangaea Flow-Through Fund 2017 Limited Partnership was registered in the province of Ontario on, August 11, 2017.

The business of the Partnership is to capitalize on flow-through investment opportunities through careful and expert selection of attractive investment issuers. Development of the business will, in part, depend upon the success of selected investments, as well as upon the marketing and sales program and reception of the Partnership investment opportunity by investors seeking tax efficiencies.

Management believes that there continues to be a dearth of investment capital available for early stage exploration and energy projects, and there is an opportunity to invest in often undervalued situations with significant upside potential.

Investments will be made in quality Resource Companies as per the Investment Guidelines while paying as low a premium as possible, through its negotiations with Resource Companies after conducting thorough due diligence and pre-screening candidates.

The General Partner, acting on behalf of the Partnership, shall make efforts to invest all Available Funds from this Offering by December 31, 2017 so as to maximize the tax advantages to the Limited Partners.

2.40 Long-Term Objectives

From January 1, 2018, the General Partner intends to monitor the Partnership's portfolio of Resource Companies and evaluate them on a continuous basis to determine whether, following completion of the holding period, to hold or sell some or all of the Flow-Through Shares and Warrants held by the Partnership. Where advisable in the General Partner's judgment, some or all of the Flow-Through Shares and Warrants held by the Partnership will be sold. Should the Partnership not complete a Liquidity Event on or before October 31, 2018, the remaining shares and warrants still held by the Partnership will be valued such that the Partnership may be dissolved on November 30, 2018 or sooner at the General Partner's option, in accordance with the procedure described in the Partnership Agreement.

2.41 Short-Term Objectives and How We Intend to Achieve Them

(a) The issuer's main objectives for the next twelve months are to:
  (i) invest the Available Funds in Flow-Through Shares of Resource Companies that meet the Partnership's Investment Objectives;
  (ii) monitor and manage the Partnership's investments and dispose of investments and/or re-invest as may be necessary or advisable in the Portfolio Manager's opinion; and
  (iii) seek out a Liquidity Event for the Partnership.

The following table sets out the issuer's short and long-term objectives for the Partnership and how the Issuer intends to achieve them:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Invest all Available Funds from the Offering by December 31, 2017. At the Portfolio Manager's discretion, investments will be made in quality Resource Companies as per the Investment Guidelines while paying as low a premium as possible through its negotiations with Resource Companies after conducting thorough due diligence and pre- screening inappropriate candidates.	December 31, 2017	No additional cost other than those identified in Item 1.1.
Monitor the Partnership's portfolio of Resource Companies and evaluate them on a continuous basis to determine whether to hold or sell some or all of the Flow-Through Shares and Warrants held by the Partnership.	January 1, 2018 through October/November, 2018	No additional cost other than those identified in Item 1.1.
Where advisable in the Portfolio Manager's judgment, some or all of the Flow-Through Shares and Warrants held by the Partnership may be sold and the proceeds may be re-invested.	May through October, 2018	No additional cost other than those identified in Item 1.1.
Completion of Mutual Fund Rollover Transaction – if applicable (date subject to change)	October 31, 2018	No additional cost other than those identified in Item 1.1.
In the event that a Mutual Fund Rollover Transaction does not occur, distribution to each limited partner of his or her proportionate share of the assets held by the Partnership as at the scheduled dissolution of the Partnership (date subject to change).	November 30, 2018 (or earlier)	No additional cost other than those identified in Item 1.1.

2.42 Insufficient Funds

Due to trading restrictions and liquidity issues, cash flow may not be sufficient to accomplish all of the Issuer's proposed objectives and there is no assurance that alternative financing will be available.

2.43 Material Agreements

PARTNERSHIP AGREEMENT

The following is a summary of the Partnership Agreement, which is incorporated herein by reference. This summary is not intended to be complete and each investor will receive a copy of the Partnership Agreement forming part of this Offering Memorandum.

The rights and obligations of the Limited Partners and the General Partner under the Partnership Agreement are governed by the laws of the Province of Ontario.

Each investor will submit an offer to purchase to the General Partner. An investor whose offer to purchase Units has been accepted by the General Partner or its agent will become a Limited Partner upon the amendment of the record of limited partners maintained by the General Partner. At or as soon as possible after the Initial Closing, the interest of the Initial Limited Partner will be redeemed by the Partnership in the amount of its capital contribution of $100.

The interest of the Limited Partners in the Partnership is divided into an unlimited number of Units, of which an aggregate maximum of 100,000 Units may be issued pursuant to this Offering. Each Unit of the Partnership has one vote attached to it. For each Unit of the Partnership purchased, a Limited Partner will be required to contribute $100 to the capital of the Partnership. There are no restrictions as to the maximum number of Units that a Limited Partner is entitled to hold in the Partnership, subject to the approval of the General Partner. The minimum subscription for each Limited Partner is 50 Units and thereafter may be for increments of 10 Units. No fractional Units will be issued pursuant to this Offering.

At no time may "financial institutions" (as that term is defined in subsection 142.2(1) of the Tax Act) (each a "Financial Institution") be the beneficial owners of more than 45% of the number of outstanding Units. The General Partner may, from time to time, require any Limited Partner to provide a declaration as to its status as a Financial Institution. If the General Partner becomes aware that the beneficial owners of 45% or more of the Units then outstanding are, or may be, Financial Institutions or that such a situation is imminent, the General Partner has the right to refuse to issue or to reject the transfer of Units to any person unless the person provides a declaration in form and content satisfactory to the General Partner that the person is not a Financial Institution.

An investor who purchases Units, among other things, (i) consents to the disclosure of certain information to, and the collection and use by, the General Partner and its service providers of all such information about such Investor that the General Partner or the service providers require in order to maintain the record of Limited Partners or for applicable tax purposes, including the name and address of such investor or address for service and the social insurance number or corporation account number of such investor, as the case may be, for the purpose of administering such investor's subscription of Units, and agrees to confirm to the General Partner the accuracy of such information prior to the dissolution of the Partnership; (ii) acknowledges that the investor is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner, including the obligation to pay the amounts due when due on account of the Subscription Price; (iii) represents, warrants and covenants that it is not a "non-resident" of Canada for purposes of the Tax Act, and that it will maintain such status during such time as Units are held by the investor and that payment of the Subscription Price for such investor's Units was not financed through indebtedness for which recourse is or is deemed to be limited within the meaning of the Tax Act as more fully described in Sections 14.2 and 14.4 of the Partnership Agreement and that it is not a partnership (except a "Canadian partnership" for purposes of the Tax Act); (iv) represents, warrants and covenants that unless such investor has provided written notice to the contrary to the General Partner prior to the date of becoming a Limited Partner, such investor is not a "financial institution" within the meaning of the Tax Act and such investor will continue not to be a financial institution during such time as Units are held by such investor; (v) represents, warrants and covenants that no investment in the investor is or will be listed or traded on a stock exchange or other "public market", as that term is defined in Section 122.1(1) of the Tax Act, that is or includes a right that may reasonably be considered to replicate a return on, or the value of the Units; (vi) irrevocably nominates, constitutes and appoints the General Partner as its true and lawful attorney with the full power and authority as set out in the Partnership Agreement, which power of authority shall survive the termination of the Partnership; (vii) irrevocably authorizes the General Partner to transfer the assets of the Partnership to a Mutual Fund and implement the dissolution of the Partnership in connection with such transfer, as more fully described in Section 2.9 of the Partnership Agreement; (viii) irrevocably authorizes the General Partner to file on its behalf all elections under applicable income tax legislation in respect of any transfer of the assets of the Partnership or the dissolution of the Partnership, as more fully described in Section 2.9 of the Partnership Agreement; and (ix) covenants and agrees that all documents executed and other actions taken on behalf of the Limited Partners pursuant to the power of attorney set out in Section 19.1 of the Partnership Agreement will be binding upon such investor.

The General Partner has contributed the sum of $100 to the capital of the Partnership but is not required to subscribe for any Units or otherwise further contribute capital to the Partnership.

Fees and Operating Expenses

The Partnership shall pay to the General Partner: (a) sales fees of up to 6% of the selling price for each Class A Unit for which an offer to purchase is accepted by the General Partner, and (b) the General Partner's Fee described under Item 1.1. The General Partner has agreed that the total fees and offering expenses to be paid with respect to the Partnership shall be the responsibility of the General Partner and the General Partner will pay any expenses that exceed the amount payable to the General Partner by way of the General Partner's Fee.

The Agents' Fees and the General Partner's Fee will be funded through the Gross Proceeds of the Offering. In addition to the foregoing, the Partnership will pay to the General Partner the Wind-Up Administration Fee. The General Partner will be responsible for all expenses incurred in connection with a Mutual Fund Rollover Transaction or a Dissolution Transaction, including liquidation and valuation expenses.

Net Income and Loss

Commencing in January 2018, the Partnership will, as soon as practicable and in any event within 60 days of the end of the previous fiscal year, subject to the Performance Bonus, if any, allocate pro rata among the Limited Partners of record of the Partnership in proportion to each limited partner's Sharing Rate on the last day of such fiscal year 99.99% of the Income and

Loss (as each are defined in the Partnership Agreement) of the Partnership and 100% of any Eligible Expenditures renounced to the Partnership for such period. On dissolution of the Partnership, Limited Partners are entitled to 99.99% of the assets of the Partnership and the General Partner is entitled to 0.01% of such assets after payment of all liabilities of the Partnership. The Partnership will make such filings in respect of such allocations as are required by the Tax Act. Limited Partners will be entitled to claim certain deductions from income for income tax purposes as described under Item 6.

Allocation of Eligible Expenditures

The Partnership will allocate all Eligible Expenditures renounced to it by Resource Companies with an effective date in a particular fiscal year pro rata to the Limited Partners of record of the Partnership on the last day of that fiscal year in proportion to each Limited Partner's Sharing Rates at the end of the fiscal year, and will make such filings in respect of such allocations as are required by the Tax Act. If Eligible Expenditures of the Partnership are reduced by any limited recourse financing of a particular Limited Partner of the Partnership, such reduction will first reduce that Limited Partner's pro rata share of the Eligible Expenditures.

Cash Distributions

Any Available Funds that have not been committed by the Partnership to purchase Flow-Through Shares and other securities prior to January 1, 2018 will be distributed, without interest or deduction, by January 31, 2018 on a pro rata basis to Limited Partners of record on December 31, 2017 in proportion to each Limited Partner's Sharing Rate.

The Portfolio Manager may, on behalf of the Partnership, sell Flow-Through Shares or any other securities in the Partnership's portfolio at any time if it is of the opinion that it is in the best interests of the Partnership to do so. The Partnership Agreement provides that, except for the Wind-Up Administration Fee and the Performance Bonus, if any, the Partnership will not make distributions of net earnings, if any, unless otherwise determined appropriate by the General Partner in its discretion. There can be no assurance that any such distributions will occur or, if they do occur, be sufficient to satisfy a Limited Partner's tax liability for the year arising from his or her status as a Limited Partner.

Functions and Powers of the General Partner

The General Partner has exclusive authority to manage the operations and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The General Partner may, pursuant to the terms of the Partnership Agreement, delegate certain of its powers to third parties where, in the discretion of the General Partner, it would be in the best interests of the Partnership to do so. The General Partner is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership and to exercise the degree of care, diligence and skill of a reasonably prudent and qualified manager. Among other restrictions imposed on the General Partner, it may not dissolve the Partnership nor wind up the Partnership's affairs except in accordance with the provisions of the Partnership Agreement.

The General Partner has the power to make on behalf of the Partnership and each Limited Partner of the Partnership, in respect of such Limited Partner's interest in the Partnership, any and all elections, determinations or designations under the Tax Act or any other taxation or other legislation or laws of like import of Canada or of any province or jurisdiction. The General Partner will file, on behalf of the General Partner and the Limited Partners, any information return required to be filed in respect of the activities of the Partnership under the Tax Act or any other taxation or other legislation or laws of like import of Canada or of any province or jurisdiction.

Accounting and Reporting

The Partnership's fiscal year will be the calendar year. A copy of the audited financial statements will be mailed or made available by the General Partner to each Limited Partner within 120 days (or such shorter period as may be required under the Securities Act (Ontario)) following the end of each fiscal year. Each statement will be accompanied by a narrative report describing the affairs and operations of the Partnership. The General Partner may, in its sole discretion, seek exemptions relieving the Partnership from its quarterly reporting requirements under applicable securities laws and is authorized to do so under the Partnership Agreement.

In addition, the General Partner shall, by March 31 of each year, forward to each Limited Partner of record of the Partnership on December 31 of the preceding year information as is necessary to enable such person to file returns under the Tax Act and under the income tax laws of such other provinces in which he, she or it resides and with respect to his, her or its income

from, and expenses and deductions derived from his, her or its participation in, the Partnership in the preceding fiscal year. The General Partner will ensure that the Partnership complies with all other reporting and administrative requirements under securities or partnership law in all applicable jurisdictions in Canada. On demand by a Limited Partner, acting reasonably, the General Partner shall provide to such Limited Partner true and full information concerning all matters affecting the Partnership and a complete and formal account of the Partnership's affairs.

Limited Recourse Financings

Under the Tax Act, if a Limited Partner finances the acquisition of Units of the Partnership with a financing for which recourse is or is deemed to be limited for the purposes of the Tax Act, the CEE or other expenses incurred by the Partnership may be reduced by the amount of such financing. The Partnership Agreement provides that each Limited Partner agrees not to finance any portion of its acquisition of Units with borrowing that is or would be a limited recourse financing. In the event that a Limited Partner does finance the purchase of Units by way of limited recourse financing, the Partnership will not allocate Eligible Expenditures renounced to the Partnership by Resource Companies to such Limited Partner and the Partnership may reduce such Limited Partner's share of taxable loss or Eligible Expenditures, as applicable. Refer to the Partnership Agreement for further information. The Partnership is permitted to borrow money. See Item 6.

Limited Liability

The Partnership was formed in order for Limited Partners to benefit from liability limited to the extent of their capital contributions to the Partnership together with their pro rata share of the undistributed income of the Partnership. Limited Partners may lose the protection of limited liability by taking part in the management or control of the business of the Partnership and may be liable to third parties as a result of false or misleading statements in the public filings made pursuant to the *Limited Partnerships Act* (Ontario) or equivalent filings under the legislation of other jurisdictions. Limited Partners may also lose the protection of limited liability if the Partnership operates, owns property, or incurs obligations, or otherwise carries on business, in a province or territory of Canada that does not recognize the limited liability conferred under the *Limited Partnerships Act* (Ontario).

The General Partner will indemnify and hold harmless each Limited Partner from and against any and all losses, liabilities, expenses, and damages suffered by such Limited Partner where the liability of such Limited Partner is not limited, provided that such loss of limited liability was caused by an act or omission of the General Partner or by the negligence or wilful misconduct in the performance of, or wilful disregard or breach of, the obligations or duties of the General Partner under the Partnership Agreement. Such indemnity will apply only with respect to losses in excess of the capital contribution of the Limited Partner. The General Partner will also indemnify and hold harmless the Partnership and each Limited Partner from any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership and/or the Limited Partner, as the case may be, resulting from or arising out of negligence or willful misconduct in the performance of, or willful disregard or breach of, the obligations or duties of the General Partner under the Partnership Agreement. However, the General Partner has only nominal assets; consequently, it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to this indemnity.

Mutual Fund Rollover Transaction

The General Partner may cause the Partnership to transfer, on a tax-deferred basis, the assets of the Partnership to a Mutual Fund in exchange for redeemable shares of the Mutual Fund, which would be distributed to the Limited Partners. If the Mutual Fund Rollover Transaction receives all necessary regulatory approvals, within 60 days of such receipt, the General Partner will distribute 99.99% of the Mutual Fund Shares to the Limited Partners, pro rata, and 0.01% of the Mutual Fund Shares to the General Partner.

At this time, the General Partner has not identified a target Mutual Fund and there can be no guarantee that one will be identified on or before October 31, 2018. The Mutual Fund Rollover Transaction will not require the approval of the Limited Partners and may be implemented upon the giving of notice to the Limited Partners, provided that the Mutual Fund Rollover Transaction is consistent with the provisions regarding the same in the Partnership Agreement. The Mutual Fund Rollover Transaction will require regulatory approvals. The Investment Fund Manager may manage the Mutual Fund and the Portfolio Manager may manage the portfolios of the Mutual Fund.

There can be no guarantee or assurance that the Mutual Fund Rollover Transaction will receive the necessary regulatory approvals or be implemented.

In the event a Mutual Fund Rollover Transaction is not completed on or before October 31, 2018 or if the Limited Partners determine by Extraordinary Resolution not to proceed with the Mutual Fund Rollover Transaction, the General Partner will instruct the Investment Fund Manager to take steps to convert the assets of the Partnership to cash or to distribute the assets in specie in accordance with Article 13 of the Partnership Agreement. (See below.)

Dissolution

The Partnership shall terminate and will be dissolved on the earliest of: (i) the implementation of the Liquidity Event in accordance with the provisions set out in Section 2.9 of the Partnership Agreement, (ii) the Termination Date, (iii) such other date as the General Partner may propose in writing and the Limited Partners may consent to by means of an Extraordinary Resolution, and (iv) the 180th day following the occurrence of an event referred to in Subsection 18.2(b) of the Partnership Agreement where a new general partner has not been appointed by such date.

With the exception of the implementation of the Liquidity Event, in connection with the termination and dissolution of the Partnership, the General Partner (or such other receiver) shall act as receiver of the assets of the Partnership and, in the order of priority set forth below, shall:

(a) wind up the affairs of the Partnership and liquidate the assets of the Partnership as fully and promptly as reasonably possible. The General Partner (or such other receiver) shall, unless otherwise directed by an Extraordinary Resolution, sell, in the market or by private sale, all of the securities owned by the Partnership, with the sole objective of ensuring that such assets are completely liquidated and that no distribution of such assets to the Partners in specie is required to be made and with a view to maximizing sales proceeds. Should the liquidation of certain securities not be practicable or appropriate, those securities will either be distributed to the partners in specie, on a pro rata basis, on such date, subject to all regulatory approvals and thereafter such property will, if necessary, be partitioned to the Limited Partners as described in Section 13.1 of the Partnership Agreement and thereafter;

(b) pay or provide for the payment of the debts and liabilities of the Partnership, liquidation expenses, contingent liabilities and any other indebtedness of the Partnership, including interest accrued thereon; and thereafter

(c) distribute the proceeds of such sale and any remaining assets of the Partnership in the following manner:
   (i) in the event that on the date of dissolution the net aggregate of the Current Account and the Capital Account of any of the Limited Partners remains a credit balance, the net assets shall be distributed proportionately among those Limited Partners who have such credit balances (and such distribution shall be deemed to be a return of capital or a current return pro-rata based on credit balances to such Limited Partners); and
   (ii) in the event that on the date of dissolution there are no credit balances described in (i) of the Limited Partners, or if there remain net assets of the Partnership after the distribution required to be made under (i) above has been completed, the balance of such net assets shall be distributed as to 99.99% to the Limited Partners and as to 0.01% to the General Partner. In the event that the General Partner (or such other receiver) has not by the date of dissolution sold all of the securities owned by the Partnership, the balance of such unsold securities and any remaining net assets shall be distributed by transfer of an undivided interest in such assets to the Partners, and the General Partner shall, if necessary, thereafter take steps to partition such undivided interests such that the Limited Partners receive 99.99% and the General Partner receives the balance thereof; and thereafter

(d) satisfy all applicable formalities relating to the dissolution of limited partnerships in such circumstances as may be prescribed by applicable law, including the filing of a notice of termination pursuant to the Partnership Act.

The General Partner may, in its sole discretion and upon not less than 30 days' prior written notice to the Limited Partners, extend the date for the termination of the Partnership to a date not later than three months after the Termination Date if the Portfolio Manager has been unable to convert all of the portfolio assets to cash and the General Partner determines that it would be in the best interests of the Limited Partners to do so.

Transfers of Units

Only whole Units are transferable. Subject to applicable securities laws, a Limited Partner may transfer all or part of his or her Units by delivering to the Registrar and Transfer Agent a form of transfer and power of attorney, substantially in the form annexed as Schedule "A" to the Partnership Agreement, duly completed and executed by the Limited Partner, as transferor, and the transferee. The transferee, by executing the transfer, agrees to be bound by the Partnership Agreement as a Limited Partner as if the transferee had personally executed the Partnership Agreement and to grant the power of attorney provided for in Section 19.1 of the Partnership Agreement. A transferee who executes the transfer will be required to represent and warrant that he, she or it is not a "non-resident" within the meaning of the Tax Act, is not a "non-Canadian" within the meaning of the Investment Canada Act or a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act, and that no investment in the transferee is or will be listed on a stock exchange or other "public market", as defined in Section 122.1(1) of the Tax Act, that is or includes a right that may reasonably be considered to replicate a return on, or the value of any Units. A transferee executing the transfer will also be required to represent and warrant that their acquisition of the Units from the transferor was not financed through borrowings for which recourse is or is deemed to be limited within the meaning of the Tax Act. The transferee must also provide written notice to the General Partner on or before the date of acceptance of the transfer that identifies all Resource Companies with which the transferee does not deal at arm's length (and, if the transferee is a Resource Company, it acknowledged that the transferee is a Resource Company). The transferee will also be required to disclose whether the transferee is or is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act. If the transferee is a "financial institution" or the General Partner believes that it is, the General Partner may reject the transfer. The transferee will furthermore ratify and confirm the power of attorney given to the General Partner in Article 19 of the Partnership Agreement.

If a Limited Partner ceases to be resident in Canada or becomes a "financial institution" for tax purposes and does not sell the Units held by such Limited Partner to a person who is qualified to hold such Units, the General Partner has the right pursuant to the Partnership Agreement either to purchase such Units for cancellation for and on behalf of the Partnership or sell, on behalf of the Partnership, such Units to a person who is qualified to hold Units, in either case at their Net Asset Value as determined by the Portfolio Adviser and General Partner.

The General Partner has the right to reject any transfer for any reason and will deny the transfer of Units to a "non- resident" for the purposes of the Tax Act, to a partnership or to a transferee who has financed the acquisition of the Units through borrowings for which recourse is or is deemed to be limited within the meaning of the Tax Act. Pursuant to the provisions of the Partnership Agreement, when the transferee has been registered as a Limited Partner of the Partnership under the *Limited Partnerships Act* (Ontario), the transferee of Units shall become a party to the Partnership Agreement and shall be subject to the obligations and entitled to the rights of a Limited Partner under the Partnership Agreement. A transferor of Units will remain liable to reimburse the Partnership for any amounts distributed to him or her by the Partnership which may be necessary to restore the capital of the Partnership to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of the capital of the Partnership and the incapacity of the Partnership to pay any debts as they became due.

The Partnership Agreement provides that if the General Partner becomes aware that the beneficial owners of 45% or more of the Units of the Partnership then outstanding are, or may be, financial institutions (as defined in subsection142.2(1) of the Tax Act (a "financial institution")) or that such a situation is imminent, among other rights set forth in the Partnership Agreement, the General Partner has the right to refuse to issue Units of the Partnership or register a transfer of Units of the Partnership to any person unless that person provides a declaration that it is not a financial institution.

Meetings

The Partnership will not be required to hold annual general meetings; however, the General Partner may call meetings of the Limited Partners at any time and will call such a meeting on receipt of a written request from Limited Partners holding, in aggregate, not less than 10% of all Units outstanding. Each Limited Partner is entitled to one vote for each Unit held. The General Partner is entitled to one vote in its capacity as General Partner. At any meeting of Limited Partners, two or more Limited Partners present in person or represented by proxy and holding not less than 5% of the Units then outstanding will constitute a quorum at a meeting of the Limited Partners except a meeting called to consider an Extraordinary Resolution at which two or more Limited Partners present in person or represented by proxy and holding not less than 20% of the Units then outstanding will constitute a quorum. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a written request of Limited Partners, shall be cancelled, but otherwise will be adjourned to such date as selected by the General Partner, but in any event not less than 10 and no more than 21 days

after the original date for the meeting. The General Partner will not be required to give notice of the adjourned meeting to the Limited Partners other than by an announcement made at the initial meeting that is adjourned. The Limited Partners present at any adjourned meeting will constitute a quorum for purposes of considering any business that might have been dealt with at the original meeting. Notwithstanding the foregoing, neither the General Partner nor any of its affiliates may vote or have its Units voted on a matter in which any of them have a material interest.

Amendments

The Partnership Agreement may only be amended with the consent of the General Partner and of the Limited Partners given by Extraordinary Resolution passed by holders of not less than 66 2/3% of the Units of the Partnership voting thereon. However, unless all of the Limited Partners consent thereto, no amendment can be made to the Partnership Agreement which would have the effect of allowing any Limited Partner to participate in the control or management of the business of the Partnership, reducing, eliminating, amending or modifying the obligation of the Partnership to pay the General Partner's Fee, the Wind-up Administration Fee and the Performance Bonus to the General Partner (unless the General Partner, in its sole discretion, consents thereto), reducing the interest in the Partnership of any Limited Partner, changing in any manner the allocation of Net Income or Net Loss, Taxable Income, Taxable Loss, or Eligible Expenditures between the Limited Partners and the General Partner, changing the liability of the Limited Partners or the General Partner, changing the right of a Limited Partner or the General Partner to vote at any meeting or changing the Partnership from a limited partnership to a general partnership (unless all of the Limited Partners consent thereto). In addition, no amendment can be made to the Partnership Agreement that would have the effect of or which would result in a denial or reduction of any income tax deductions or credits related to Flow-Through Shares or otherwise available to Limited Partners, but for the amendment. Notwithstanding the foregoing, the General Partner may, without prior notice to or consent from any Limited Partner, amend from time to time any provision of the Partnership Agreement, if such amendment is to add any provision which, in the opinion of counsel to the Partnership, is for the protection or benefit of the Limited Partners, is required to cure any manifest error or ambiguity or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision contained therein, or is required by law. Such amendments may only be made if they will not, in the opinion of the General Partner, materially adversely affect the rights of any Limited Partner.

Removal of General Partner

The General Partner may be removed at any time if:

(a) the General Partner has committed fraud, or willful misconduct in the performance of, or willful disregard or breach of, any material obligation or duty of the General Partner under this Agreement,
(b) its removal as the General Partner has been approved by the Limited Partners by Extraordinary Resolution, and
(c) a qualified successor has been admitted to the Partnership and appointed as the General Partner of the Partnership by Ordinary Resolution of the Limited Partners, provided that the General Partner shall not be removed in respect of a curable breach of an obligation or duty of the General Partner under this Agreement unless it has received written notice thereof from a Limited Partner and has failed to remedy such breach within 30 days of receipt of such notice. For greater certainty, absent fraud or willful misconduct, no investment or divestiture decision by the General Partner will constitute or be deemed to constitute cause for its removal as the General Partner of the Partnership.

Power of Attorney; Additional Terms

Pursuant to the Subscription Agreement and Power of Attorney Forms, an investor, among other things:

(a) irrevocably, directly or indirectly through an Agent, authorizes and consents to the disclosure of certain information to, and the collection and use by, the General Partner and its service providers, including such investor's full name, residential address or address for service, email address, social insurance number or the corporation account number, as the case may be;

(b) acknowledges that he, she, or it is bound by the terms of the Partnership Agreement and liable for all obligations of a Limited Partner;

(c) makes representations and warranties, including without limitation, representations and warranties as to the investor's residency and limited recourse financing, set out in the Partnership Agreement, including the representations and warranties to the effect that he, she or it is not a "non-resident" of Canada for the purposes of the Tax Act or a

partnership (except a "Canadian partnership" for the purposes of the Tax Act), and that he, she or it has not financed his, her or its acquisition of the Units with a financing for which recourse is or is deemed to be limited for the purposes of the Tax Act;

(d) makes representations and warranties that the investor is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act unless such investor has provided written notice to the contrary to the General Partner prior to the date of acceptance of the investor's subscription for Units;

(e) irrevocably nominates, constitutes, and appoints the General Partner as his, her, or its true and lawful attorney with the full power and authority as set out in the Partnership Agreement which power and authority will survive the termination of the Partnership; and

(f) covenants and agrees that all documents executed and other actions taken on behalf of the Limited Partners pursuant to the power of attorney set out in Section 19.1 of the Partnership Agreement will be binding upon such investor, and each investor agrees to ratify any of such documents or actions upon request by the General Partner.

An investor who is not an individual may be obliged to provide the General Partner with a declaration that it is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act.

Power of Attorney

The Partnership Agreement contains a power of attorney coupled with an interest, the effect of which is to constitute it an irrevocable power of attorney. The scope of the power of attorney is generally limited to matters relating to an investment in Units of the Partnership. The power of attorney authorizes the General Partner on behalf of the Limited Partners of the Partnership, among other things, to execute the Partnership Agreement, any amendments to the Partnership Agreement, and all instruments necessary to reflect the dissolution of the Partnership and partition of assets distributed to partners on dissolution, as well as any elections, determinations or designations under the Tax Act or taxation legislation of any province or territory with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership, including elections under subsections 85(2) and 98(3) of the Tax Act and the corresponding provisions of applicable provincial legislation in respect of the dissolution of the Partnership. **By subscribing for Units of the Partnership, each investor acknowledges and agrees that he, she, or it has given such power of attorney and will ratify any and all actions taken by the General Partner pursuant to such power of attorney. The power of attorney shall survive any dissolution or termination of the Partnership.**

INVESTMENT FUND MANAGEMENT AGREEMENT

The General Partner has retained the Investment Fund Manager to provide investment fund management, administrative and other services to the Partnership. The Investment Fund Manager was incorporated on January 16, 2006 under the laws of Ontario and its incorporation was continued federally on February 15, 2013. It has a head office at Suite 1501, 150 Ferrand Drive, Toronto, Ontario, M3C 3E5. The Investment Fund Manager is registered with the Ontario Securities Commission as an "investment fund manager" under NI 31-103 and the Securities Act (Ontario) and with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, and Ontario.

Pursuant to the Investment Fund Management Agreement and in consideration for the Investment Fund Manager's services, the General Partner will pay to the Investment Fund Manager (from the General Partner's Fee) a fee equivalent to 2% of the Gross Proceeds. In addition, the General Partner will pay to the Investment Fund Manager an amount equal to 37.5% of the Wind-Up Administration Fee and 25% of the Performance Bonus paid to the General Partner by the Partnership, if any.

Pursuant to the Investment Fund Management Agreement, the Investment Fund Manager will provide management, administrative, and other services to the Partnership. The Investment Fund Manager will receive the Investment Fund Manager's Fee from the General Partner for the provision of such services and will be entitled to reimbursement for certain expenses incurred on behalf of the General Partner or the Partnership.

The Investment Fund Manager has no obligation to the Partnership other than to render services under the Investment Fund Management Agreement honestly and in good faith and in the best interests of the Partnership and to exercise the degree of care, diligence, and skill a reasonably prudent person would exercise in comparable circumstances.

The Investment Fund Management Agreement provides that the Investment Fund Manager will not be liable in any way to the Partnership or the General Partner if it has satisfied the duties and the standard of care, diligence, and skill set forth above. The Investment Fund Manager will incur liability, however, in cases of willful misconduct, bad faith, gross negligence, or disregard of its duties or standards of care, diligence and skill. The Partnership has agreed to indemnify the Investment Fund Manager for any losses as a result of the performance of its duties under the Investment Fund Management Agreement.

The Investment Fund Management Agreement, unless terminated as described below, will continue until the termination of the Partnership. In each case, either the Investment Fund Manager or the General Partner may terminate the Investment Fund Management Agreement upon at least 60 days' written notice of such termination. Additionally, either party may immediately terminate the Investment Fund Management Agreement upon the occurrence of an insolvency event of the other party. In the event that the Investment Fund Management Agreement is terminated as provided above, the Investment Fund Manager is required to take all actions reasonably necessary to effect the transfer of all investment manager functions to a replacement registrant.

PORTFOLIO MANAGEMENT AGREEMENT

The General Partner has retained Jean-Guy Masse ("the PM") as the Portfolio Manager to provide portfolio management services to the Partnership. Mr. Masse is the Founder, President, and Portfolio Manager of Northern Precious Metals Management Inc. ("NPMM"), which was registered as a portfolio manager on November 24, 2005 in the Provinces of Québec and Ontario and as an investment fund manager on September 29, 2010 pursuant to Regulation 31-103 respecting Registration Requirements and Exemptions with the securities regulatory authority of the Province of Québec.

Portfolio Manager's Portfolio Management Experience

Jean-Guy Masse has extensive experience in identifying and negotiating Flow-Through Share financings with Resource Companies as portfolio and investment fund manager of flow-through limited partnerships under the "Northern Precious Metals" name since 2003. In addition, he has experience in this field from the early 1980's.

Mr. Masse graduated as a mining engineer from École Polytechnique de Montréal, holds a Master's degree in Mining Administration from Stanford University, California and is a Chartered Financial Analyst (CFA) Charterholder with more than 40 year of financing experience in the resource industry. From 1999 to 2002, he was Chairman of the Board and Chief Financial Officer of Metco Resources Inc., a mining company specialized in exploration for base metals. From 1993 to 1998, he served as President of Orleans Resources, an industrial mineral company. From 1985 to 1992, Mr. Masse was President of CMP Funds Management Ltd., the general partner of 14 limited partnerships which raised more than $1.2 billion for investment in Canadian natural resource companies. During that same period, Mr. Masse was Executive Vice-President of the parent company, Dundee Bancorp Inc., and Vice-President of its mutual funds subsidiary, Dynamic Funds Ltd. Mr. Masse is a director of Nevado Resources Inc., a company listed on the TSX Venture Exchange, and a director of several private companies.

Services to be provided by the Portfolio Manager

The Portfolio Manager has been retained by the General Partner on behalf of the Partnership to manage the Partnership's investment portfolio with the objective of maximizing the total return of the Partnership's investments. The Portfolio Manager has the right and authority to determine which securities will be purchased, held, and sold by the Partnership in accordance with the Partnership's investment objective and strategies and, in making any such determinations, will consult with the General Partner. The Portfolio Manager will approve Flow-Through Investment Agreements for and on behalf of the Partnership and otherwise manage the Partnership's investment portfolio to the extent provided in the Portfolio Management Agreement. The Portfolio Manager will identify, analyze, and select investment opportunities in Resource Companies, structure and negotiate prospective investments, make investments for the Partnership in securities, monitor the performance of portfolio companies, and determine the timing, terms, and method of disposing of investments.

The Portfolio Manager will, prior to January 1, 2018, endeavour to invest all of the Available Funds of the Partnership in Flow-Through Shares. In the purchase and sale of securities for the Partnership, the Portfolio Manager will seek to obtain overall services and prompt execution of orders on favorable terms.

In connection with certain investments of the Partnership and before committing to acquire flow-through shares of a resource company, the Portfolio Manager may conduct research on the global commodity market and perform due diligence

investigation of the company's business, assets, properties and mineral reserves. The cost associated with these activities would be for the account of the resource company.

The Portfolio Manager will be entitled to a fee equal to 1.0% of the first Gross Proceeds of $1,000,000 and a fee equivalent to 1.5% of the incremental Gross Proceeds over and above the first $1,000,000 of Gross Proceeds. Mr. Masse will also receive 75% of the Performance Bonus, if any, and 25% of the Wind-Up fee on Net Asset Value (NAV) under $3,500,000 and 50% of the Wind-Up fee on NAV over $3,500,000. The fees payable to the Portfolio Manager will be solely the responsibility of the General Partner. The Partnership will not reimburse or be accountable for any such fees. See Item 1.1.

Unless terminated as described below with respect to the Partnership, the Portfolio Management Agreement continues until the effective date of the termination of Partnership Agreement. Pursuant to the Portfolio Management Agreement, the Portfolio Manager has agreed to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners, and in connection therewith, to devote such time and attention and exercise the degree of care, diligence, and skill that a reasonably prudent and experienced portfolio manager would exercise in the circumstances. Pursuant to the Portfolio Management Agreement, the Portfolio Manager will not be liable in any way for any fault, failure, or defect in any of the securities comprising the investment portfolio of the Partnership if it has satisfied its duties and complied with the standard of care, diligence, and skill set forth above. The Portfolio Manager will incur liability, however, in cases of willful misconduct, bad faith, gross negligence, or disregard of its duties or standards of care, diligence, and skill.

Either the Portfolio Manager or the General Partner may terminate the Portfolio Management Agreement upon at least 60 days' written notice of such termination. Additionally, either party may immediately terminate the Portfolio Management Agreement upon the occurrence of an insolvency event of the other party. In the event that the Portfolio Management Agreement is terminated as provided above, the General Partner shall promptly appoint a successor portfolio manager to carry out the activities of the Portfolio Manager.

CUSTODIAN

The Investment Fund Manager has retained Raymond James Ltd. ("Raymond James") on behalf of the Partnership to act as custodian of the Partnership's investment portfolio. The Partnership will pay the fees associated with the custodial services.

AGENCY AGREEMENTS

The Partnership intends to enter into Agency Agreements for the purpose of offering Units for sale in the Offering Jurisdictions, pursuant to exemptions from the prospectus requirement. Any Agents shall sell units, on a commercially reasonable best efforts basis if, as, and when issued by the Partnership in accordance with the terms and conditions of the Agency Agreement. The Partnership is offering a maximum of 100,000 Units in the aggregate and a minimum of 5,000 Units, in the aggregate. The Units of the Partnership will be offered, subject to a minimum purchase of 50 Units, at a price of $100 per Unit. The General Partner established the price per Unit of the Partnership.It is expected that the Initial Closing will occur on or before November 30, 2017.

Class A Units: The Partnership will pay to the Agents a sales fee up to 6% of the selling price for each Class A Unit sold to an investor by the Agents.

Class F Units: Are structured to be offered to investors who have an existing fee agreement with an advisor. No Agents' fees will be paid to dealers or wholesalers in connection with sales of Class F Units.

The General Partner or its agent, on behalf of the Partnership, reserves the right to accept or reject any offer to purchase in whole or in part. An investor whose offer to purchase has been accepted by the General Partner or its agent will become a Limited Partner of the Partnership upon the amendment of the record of limited partners of the Partnership maintained by the General Partner to include their name and other information prescribed by the *Limited Partnerships Act* (Ontario).

The Agents may, from time to time, be involved in raising money for Resource Companies independent of the Partnership and their activities. The Agents may earn fees on such transactions. For additional information regarding potential conflicts of interest for the Agents, see Item 8.

While the Agents have agreed to use commercially reasonable best efforts to sell the Units, the Agents are not obliged to purchase any Units that are not sold. The obligations of the Agents under the Agency Agreements may be terminated, and the Agents may withdraw all offers to purchase Units on behalf of investors, at the Agents' discretion, on the basis of their assessment of the state of the financial markets or upon the occurrence of certain stated events including any material adverse change in the business, personnel or financial condition of the General Partner or the Partnership.

In the Agency Agreement, the Partnership and the General Partner have agreed to indemnify the Agents upon the occurrence of certain events.

Item 3: INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS, AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by Issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Linda Palin Toronto, Ontario	Director of General Partner since May 22, 2014	NIL[1]	NIL[1]	NIL[1]

Notes:
1. Linda Palin is the Initial Limited Partner and as such, has paid $100 for one Unit. That Unit will be redeemed at cost at the first Closing. Ms. Palin will not personally receive, nor does the Partnership intend to pay in the current financial year, any other cash payments directly to Ms. Palin.

The General Partner may be considered the manager, portfolio advisor, and promoter of the Partnership within the meaning of securities legislation.

3.2 Management Experience

Name and Municipality of Residence	Position with General Partner and Period of Involvement	Principal occupation and related experience*
Linda Palin Toronto, Ontario	Director (as of May 22, 2014)	Managing Director, Pangaea Asset Management Inc. since 2006. Director of the Pangaea Global Equity Fund LP since 2007. Director of Pangaea Flow-Through GP Inc. since November, 2014.

Linda Palin, CFA, CPA, CMA, FICB, MBA is the Chief Executive Officer and a director of the General Partner. Linda is also the Managing Director, Founder, and sole Director and Officer of Pangaea Asset Management Inc., the Investment Fund Manager, Portfolio Manager, and an Agent in connection with the Offering, See Item 1.1. Ms. Palin is the sole shareholder of Pangaea Asset Management Holding Co., a private Ontario corporation that holds all of the shares of Pangaea which is the Investment Fund Manager of the Partnership. Pursuant to the terms of the Investment Fund Management Agreement, Pangaea is entitled to receive 2% of the Gross Proceeds from the General Partner as payment for such services. Pangaea Management Holding Co. also holds 100 common shares or 100% of the common shares of the General Partner and, pursuant to the terms of the Partnership Agreement, the General Partner is entitled to up to 6% of the Gross Proceeds, less any payments payable to the Portfolio Manager and Investment Fund Manager. Linda received her BA and MBA from York University and is a Certified Management Accountant, CFA Charterholder, and Fellow of the Institute of Canadian Bankers. She is past President of the CFA Society Toronto and served as Chair of its Audit, Private Client, and Governance Committees. Pangaea may also be entitled to receive up to 6% in commissions or finder's fees in connection with the sale of any Class A Units to investors as an Agent pursuant to the terms of an Agency Agreement. Pangaea, as Investment Fund Manager, may also be entitled to receive consideration as part of a Performance Bonus or Wind-Up Administrative Fee. Likewise, Pangaea Asset Management Holding Co. may also be entitled to receive, through the General Partner, an indirect interest as part of a Performance Bonus or Wind-Up Administrative Fee. See "Section 2.7 – Material Agreements – Investment Fund Management and Portfolio Management Agreements.

3.3 Penalties, Sanctions, and Bankruptcy: Nil.

3.4 Loans: Nil.

Item 4: CAPITAL STRUCTURE

4.1 Partnership Capital

Description of security	Number authorized to be issued	Price per security	Number outstanding as at August 11, 2017	Number outstanding after Minimum Offering	Number outstanding after Maximum Offering
Class A and Class F Partnership Units	100,000	$100	1 Class A Unit (Initial Limited Partner's) – to be redeemed	5,000	100,000

4.2 Long-Term Debt Securities

Neither the Partnership nor the General Partner currently has any long-term debt.

4.3 Prior Sales

The Initial Limited Partner was issued one Unit, which will be redeemed upon the completion of the Initial Closing.

Item 5 Securities Offered

5.1 Terms of Securities

The Partnership is offering Class A and Class F limited partnership units of the Partnership under this Offering. Please refer to Section 2.43 – Agency Agreements. Each Class of Units entitles the holders thereof to one vote per Unit on the matters outlined in the Partnership Agreement. The Units do not have any conversion rights, redemption rights, or retraction rights. The Units do not entitle the Limited Partners to dividends or any other distributions of income of the Partnership at a prescribed rate of return. The Limited Partners are entitled to 99.99% of the net income of the Partnership on a pro rata basis. For more information on the allocation of net income, net loss, and the assets of the Partnership, please refer to Section 2.7 – Material Agreements, for a summary of the Partnership Agreement.

5.2 Subscription Procedure

Only investors resident in the Offering Jurisdictions may purchase Units under this Offering.

The Partnership will offer a minimum of 5,000 Units, in the aggregate ($500,000) and a maximum of 100,000 Units, in the aggregate ($1,000,000) at a price of $100 per Unit. The minimum purchase per investor is 50 Units ($5,000). Any investment in excess of $5,000 per investor must be made in multiples of $1,000 (10 Units). An investor whose offer to purchase is accepted by the General Partner will become a Limited Partner of the Partnership upon the entering of his, her, or its name and other prescribed information in the record of Limited Partners on or as soon as possible after each Closing.

Class A and Class F Units are being offered for sale on a "private placement" basis in reliance on exemptions from the prospectus requirements of applicable Canadian securities laws. As a result, resale of both classes of the Units will be restricted in the manner provided by such securities laws. See Item 10.

Investors may subscribe for Class A or Class F Units by submitting a Subscription Agreement and Power of Attorney Form to the General Partner, together with the purchase price by way of **certified cheque, wire transfer or bank draft**. Units will only be sold to individuals, corporations, and trusts that are permitted to purchase them under applicable securities laws and who certify to the Agents in the Subscription Agreement and Power of Attorney Forms that such purchaser, or any ultimate purchaser for which such purchaser is acting as agent, (i) is an "accredited investor", as that term is defined in NI 45-106 or (ii) is an "eligible investor" or "exempt investor" and is relying on the "Offering Memorandum" exemption as provided for in section 2.9 of NI 45-106.

The "Offering Memorandum" exemption, as provided for in section 2.9 of NI 45-106, is available in all provinces and territories. In jurisdictions where the "Offering Memorandum" exemption is available, except British Columbia, that jurisdiction will impose eligibility criteria on persons or companies investing under the "Offering Memorandum" exemption. In British Columbia, there is no eligibility criteria requirement and investors may purchase Units with a minimum total subscription price equal to $5,000.

To acquire Units, an investor must deliver, on or prior to the Closing, a duly completed and signed Subscription Agreement and Power of Attorney Form, together with payment in the amount of $100 per Unit payment in full by **wire transfer, bank draft or certified cheque payable to Pangaea Flow-Through GP Inc.,** with the memo line indicating: "In trust for Pangaea Flow-Through Fund 2017 LP" Subscription funds will be held in trust by the Partnership for a minimum of two business days, as required by securities legislation. In the event that the Minimum Offering is not completed, subscription funds will be returned to investors in full.

Item 6: INCOME TAX CONSEQUENCES

6.1 Consultation with Own Tax Advisors

You should consult your own professional advisors to obtain advice on the income tax considerations that may apply to you in connection with the purchase of Units offered under this Offering Memorandum. Tax considerations ordinarily make the Units offered under this Offering Memorandum most suitable for those individual taxpayers whose income is subject to the highest marginal income tax rate. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of the merits of the investment as such and on an investor's ability to bear possible loss. ***Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.***

6.2 Principal Canadian Federal Income Tax Considerations

Introduction

In the opinion of Borden Ladner Gervais LLP, special tax counsel to the Partnership and the General Partner ("**Tax Counsel**"), the following is a fair summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable to a corporate or individual Limited Partner who acquires, as beneficial owner, Units pursuant to this Offering Memorandum and who, for the purposes of the Tax Act and at all relevant times: (a) is or is deemed to be resident in Canada; (b) deals at arm's length with the Partnership and each of the Resource Companies with which the Partnership has entered into a Flow-Through Investment Agreement; and (c) holds the Units as capital property. Units will generally be considered to be capital property unless the Limited Partner acquires or holds the Units in the course of carrying on a business or is engaged in an adventure in the nature of trade, with respect to the Units.

This summary is not applicable to a taxpayer:

(a) that is a "financial institution", as defined in subsection 142.2(1) of the Tax Act;
(b) an interest in which is a "tax shelter", as defined in subsection 237.1(1) of the Tax Act, or a "tax shelter investment", as defined in subsection 143.2(1) of the Tax Act;
(c) that reports its "Canadian tax results", as defined in subsection 261(1) of the Tax Act, in a currency other than Canadian currency;
(d) who has entered into or will enter into, in respect of the Units, a "derivative forward agreement", as defined in subsection 248(1) of the Tax Act;
(e) that is a partnership or a trust;
(f) that is a "principal-business corporation", as defined in subsection 66(15) of the Tax Act;
(g) whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons;
(h) a corporation which holds a "significant interest" as defined in subsection 34.2(1) of the Tax Act in the Partnership; or
(i) that is exempt from tax under Part I of the Tax Act.

This summary is applicable only to Limited Partners who pay the purchase price for their Units in full when they subscribe for their Units. This summary does not address any tax considerations associated with the holding, converting or disposing of securities acquired pursuant to a Mutual Fund Rollover Transaction or on dissolution of the Partnership, nor does it address the tax consequences to an investor who proposes to incur a loan or other indebtedness to finance the acquisition of some or all of the investor's units. **Any prospective investor who is considering incurring a loan or other indebtedness to finance the acquisition of some or all of the investor's Units should consult with the investor's own tax advisors prior to investing in the Partnership.**

Except as otherwise indicated, this summary assumes that, at all relevant times:

(a) the Units are not listed or traded on a stock exchange or other "public market" as defined in subsection 122.1(1) of the Tax Act;
(b) other than the Units, there are no other "investments", as defined in subsection 122.1(1) of the Tax Act, in the Partnership;
(c) recourse for any borrowing or other financing made by a Limited Partner to fund payment of the Subscription Price is not limited, and will not be deemed to be limited for the purposes of the Tax Act;
(d) each Limited Partner will deal at arm's length with the Partnership and each of the Resource Companies with which the Partnership has entered into a Flow-Through Investment Agreement;
(e) the Flow-Through Shares acquired by the Partnership will be capital property to the Partnership;
(f) the Partnership is not a "specified person", as defined in subsection 6202.1(5) of the Income Tax Regulations (the "Tax Regulations"), in relation to any Resource Company with which it has entered into a Flow-Through Investment Agreement;
(g) no Resource Company with which the Partnership has entered into a Flow-Through Investment Agreement has a "prohibited relationship", as defined in subsection 66(12.671) of the Tax Act, with the Partnership or any other partnership of which the Partnership is a member;
(h) all of the partners of the Partnership are resident in Canada;
(i) units that represent more than 50% of the fair market value of all interests in the Partnership are not held by "financial institutions", (as defined in subsection 142.2(1) of the Tax Act) ; and
(j) none of the Limited Partners, or any person not dealing at arm's length with a Limited Partner, is entitled, whether immediately or in the future and whether contingently or absolutely, to receive or obtain, in any manner whatever, any amount or benefit for the purpose of reducing the impact of any loss that the Limited Partner may sustain by virtue of being a Limited Partner or the holding or disposing of Units, unless the entire quantum of such amount or benefit arises because of an "excluded obligation", as defined in subsection 6202.1(5) of the Tax Regulations, in relation to a share issued to the Partnership by a Resource Company.

This summaryis based on the current provisions of the Tax Act and the Tax Regulations in force as of the date hereof, 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 hereof (the "**Tax Proposals**"), Tax Counsel's understanding of the current jurisprudence and the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof, the assumptions set forth herein and a certificate as to certain factual matters provided to Tax Counsel by the General Partner. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or changes in the CRA's administrative policies and assessing practices, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurance can be given that this will be the case. There can be no assurance that the CRA will not change its administrative policies or assessing practices. The Partnership has not obtained, nor sought, an advance tax ruling from the CRA in respect of any of the matters discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Limited Partner. The income tax considerations applicable to a prospective purchaser of Units will depend on a number of factors, including but not limited to whether the Limited Partner's Units are characterized as capital property, the province or territory in which the Limited Partner resides or carries on business, the amount that would be the Limited Partner's taxable income but for the Limited Partner's interest in the Partnership, the legal characterization of the Limited Partner as an individual, corporation, partnership or trust and whether the Limited Partner has borrowed funds to acquire Units. Accordingly, each investor should obtain independent advice from a knowledgeable tax advisor as to the income tax considerations applicable to investing in Units, based on the investor's own particular circumstances.

Computation of Income

The Partnership itself is not an entity that is generally subject to tax under the Tax Act or required to file income tax returns, except for annual information returns. The Partnership must compute its income or loss under the Tax Act for each of its fiscal periods as if it were a separate person resident in Canada, but without taking into account certain deductions as provided for in the detailed rules in the Tax Act, in part discussed below under this heading and the heading "Eligible

Expenditures". The fiscal period of the Partnership will end on December 31 each year, and upon the dissolution of the Partnership.

Subject to the important restrictions described below under "Limitations on Deductibility of Expenses or Losses of Partnership", each Limited Partner will be required to include, or be entitled to deduct, in computing income for a taxation year the Limited Partner's pro rata share of the income~~,~~ or loss, as the case may be, of the Partnership allocated to the Limited Partner under the Partnership Agreement for the fiscal period of the Partnership ending in the Limited Partner's taxation year, whether or not any distribution of income has been made to the Limited Partner by the Partnership.

Partnership income or loss is computed without taking into account any deductions for Eligible Expenditures renounced to it in respect of any Flow-Through Shares owned by the Partnership. Rather, Eligible Expenditures are allocated directly to the Limited Partners in computing their income, as described in more detail below under the heading "Eligible Expenditures". The Partnership's income will include taxable capital gains realized by the Partnership on a disposition of Flow-Through Shares. For this purpose, the Partnership's adjusted cost base of its Flow-Through Shares will be deemed to be nil under the Tax Act, with the result that the Partnership's capital gain realized on any such disposition should equal its proceeds of disposition of the Flow-Through Shares net of any reasonable costs of disposition. If the CRA were to successfully assert that the Flow-Through Shares are not capital property, the full gain would be included in the Partnership's income. The income of the Partnership will include any interest earned on funds held by the Partnership prior to (or following) its investment in Flow-Through Shares.

The costs associated with the organization of the Partnership will not be fully deductible by the Partnership in determining its income for the fiscal period in which they are incurred. Organization expenses incurred by the Partnership will generally be added to a capital cost allowance class that may be deductible by the Partnership at the rate of 5% per year on a declining balance basis, subject to the typical rules applicable under the capital cost allowance regime. Generally, offering expenses are deductible over a 5 year period at the rate of 20% per year (subject to pro ration where the taxation year is less than 365 days). In the event that the Partnership is dissolved and these expenses have not been fully deducted, each Limited Partner immediately prior to the dissolution may generally deduct, in a taxation year ending after that time, the Limited Partner's pro rata share of the amount the Partnership would have been entitled to deduct in its fiscal period ending in the taxation year if the Partnership had continued to exist. Other fees and expenses that are incurred by the Partnership in the course of its ongoing business should generally be deductible in the year incurred, to the extent that they are reasonable. The adjusted cost base of a Limited Partner's Units will be generally reduced on the dissolution of the Partnership by his or her share of such expenses.

The General Partner has confirmed that the Partnership has engaged it to perform management services and, consistent with that arrangement, the Partnership intends to deduct management fees payable to the General Partner in computing income in the year in which the services to which they relate are rendered. The CRA may assert that an entitlement of the General Partner to management fees is more appropriately treated as an entitlement to share in any income of the Partnership as a partner and, therefore, does not result in a deduction in computing the Partnership's income. If the CRA successfully applied any such treatment then a loss of the Partnership otherwise allocated to the Limited Partners would be reduced or denied to the extent of such deduction, and the income otherwise allocable to the Limited Partners potentially would be increased.

The Tax Act levies a special tax on the income of those partnerships which constitute a "SIFT partnership" ("SIFT"). A SIFT includes certain Canadian partnerships whose units are listed or traded on a stock exchange or other public market. If the Partnership were to constitute a SIFT, certain taxes could apply to the Partnership and to Limited Partners and the tax consequences to the Partnership and Limited Partners discussed below would materially, and in some cases, adversely differ. Based upon the assumptions set forth herein and representations made by the General Partner to Tax Counsel, the Partnership should not be a SIFT.

Each person who is a member of the Partnership in a year will also be required to file an information return on or before the last day of March in the following year in respect of the activities of the Partnership or, where the Partnership is dissolved, within 90 days of the dissolution. A return made by any partner will be deemed to have been made by each member of the Partnership. The General Partner has represented to Tax Counsel that it intends to file the necessary information returns**.**

Eligible Expenditures

Provided the relevant provisions in the Tax Act are satisfied, the Partnership is deemed to incur Eligible Expenditures that are renounced to the Partnership by a Resource Company pursuant to a Flow-Through Investment Agreement between the

Partnership
and the Resource Company. The Partnership is deemed to incur the Eligible Expenditures on the effective date of the renunciation. The Limited Partnership Agreement provides that, at the end of each fiscal period, the Partnership will allocate Eligible Expenditures incurred by it for the fiscal period to its then Limited Partners. As a result, the Limited Partners will be considered to have incurred the Eligible Expenditures at that time to the extent of their pro rata share in the Partnership.

A Limited Partner adds the Eligible Expenditures so allocated to the Limited Partner's "cumulative Canadian exploration expense" ("**CCEE**") pool. Subject to the relevant provisions of the Tax Act, in computing income from all sources for a taxation year, the general rule is that a Limited Partner may deduct up to 100 % of the balance in the Limited Partner's CCEE pool at the end of the year. Any balance in the CCEE pool can be carried forward indefinitely and claimed in a later year, subject to the detailed rules in the Tax Act including certain restrictions which may apply following an acquisition of control of, or certain corporate reorganizations involving, a corporate Limited Partner. However, a Limited Partner's share of Eligible Expenditures incurred by the Partnership in a fiscal period is limited to the Limited Partner's "at-risk amount" in respect of the Partnership at the end of the fiscal period. If the Limited Partner's share of Eligible Expenditures is so limited, any excess Eligible Expenditures are added to the Limited Partner's share of CEE incurred by the Partnership in the immediately following fiscal period, but the CEE will again be subject to possible reduction through the application of the at-risk rules in that subsequent fiscal period.

The CCEE pool of a Limited Partner is reduced by deductions in respect of the CCEE pool made by the Limited Partner in prior taxation years. The CCEE pool is also reduced by any investment tax credits for "flow-through mining expenditures", ~~(~~as defined in subsection 127(9) of the Tax Act~~)~~, deducted in prior years and by a Limited Partner's share of any amount the Partnership receives or is entitled to receive as assistance or benefits that relate to CEE incurred by the Partnership. Where the balance of a Limited Partner's CCEE pool is negative at the end of a taxation year because reductions in calculating the CCEE pool exceed the balance of that pool at the beginning of the year and additions thereto during the year, the negative amount must be included in the Limited Partner's income for that taxation year and the Limited Partner's CCEE pool is adjusted to nil.

The sale or other disposition of Units by a Limited Partner following the end of the fiscal year in respect of which CEE has been allocated to the Limited Partner will not result in the reduction of the Limited Partner's CCEE pool, nor will a sale by the Partnership of any Flow-Through Shares result in a reduction in any Limited Partner's CCEE pool.

Counsel has been advised by the General Partner that it intends that each Flow-Through Investment Agreement will contain covenants and representations of the Resource Company that the Resource Company will incur Eligible Expenditures in an amount equal to the full purchase price payable for the Flow-Through Shares acquired by the Partnership, and that such Eligible Expenditures will be renounced to the Partnership with an effective date not later than December 31, 2017.

Certain corporations with a "taxable capital amount" as that term is defined in the Tax Act of not more than $15,000,000 at the time the Partnership advances consideration for the Flow-Through Shares may, generally speaking, renounce up to $1,000,000 annually of certain CDE as Qualifying CDE. Upon renunciation to the Partnership, Qualifying CDE is deemed to constitute CEE to the Partnership and will be allocable by the Partnership to Limited Partners as CEE. It is proposed that this rule will no longer apply after 2018.

If the relevant conditions in the Tax Act are satisfied, certain Eligible Expenditures incurred or to be incurred by a Resource Company in 2018 may be renounced effective December 31, 2017, provided such renunciation is made in January, February or March of 2018.

If such Eligible Expenditures renounced to the Partnership effective December 31, 2017 are not in fact incurred on or before December 31, 2018, the Eligible Expenditures so renounced to the Partnership will be reduced accordingly, effective as of December 31, 2017. The further result is that CEE previously allocated by the Partnership to Limited Partners as at December 31, 2017 will also be reduced accordingly, and the Limited Partners may be reassessed for their 2017 taxation year as a result. However, Limited Partners will not be subject to any penalties and will not be charged interest on any unpaid income tax arising as a result of such reduction for the period, provided any unpaid tax liability is settled before May 1, 2019.

A Limited Partner who is an individual may be entitled to a 15% federal non-refundable investment tax credit in respect of certain "grass roots" CEE incurred or deemed to have been incurred by the Partnership before 2018, including CEE incurred in 2018 by a Resource Company and renounced with an effective date in 2017, in accordance with the Tax Act, for Flow-Through Investment Agreements made before April 2018. The amount of such tax credits used by the Limited Partner to reduce his or

her tax otherwise payable in a taxation year will reduce the Limited Partner's cumulative CEE account in the following year, as described above under this heading. Certain provinces provide for similar non-refundable investment tax credits for use in computing the provincial income tax liability, generally, of individuals resident in the province and in respect of such CEE incurred in that province.

Limitations on Deductibility of Expenses or Losses of Partnership

Subject to the so-called "at-risk" rules in the Tax Act and the rules restricting the deductibility of expenses of a "tax shelter investment" described below, a Limited Partner's share of business losses of the Partnership for any fiscal year may be applied against the Limited Partner's income from any source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, may be carried back three years and forward twenty years and applied against taxable income of such other years.

The "at-risk" rules may, in certain circumstances, limit the amount of deductions, including Eligible Expenditures and losses, that a Limited Partner may claim in respect of the Partnership to the amount the Limited Partner has "at risk" in respect thereof. Under these rules, a Limited Partner cannot deduct losses of the Partnership or Eligible Expenditures allocated to the Limited Partner by the Partnership to the extent these amounts exceed the Limited Partner's "at-risk amount" in respect of the Partnership.

Generally, a Limited Partner's "at-risk" amount will, subject to the detailed provisions of the Tax Act, be the amount actually paid for Units plus the amount of any Partnership income (including the full amount of any Partnership capital gains) allocated to such Limited Partner for completed fiscal periods, less the aggregate amount of any Eligible Expenditures renounced to the Partnership and allocated to the Limited Partner, the amount of any Partnership losses allocated to the Limited Partner and the amount of any distributions from the Partnership. A Limited Partner's "at-risk" amount may be reduced by certain benefits or in circumstances where amounts are owed to the Partnership by the Limited Partner.

The Tax Act contains additional rules that restrict the deductibility of certain amounts by persons who acquire a "tax shelter investment" as defined in Tax Act. The Units have been registered with the CRA under the "tax shelter" registration rules in the Tax Act and will be a "tax shelter investment" for the purposes of the Tax Act. See the heading "Tax Shelter" below. As the Units are tax shelter investments, the cost of a Unit to a Limited Partner may be reduced by the total of "limited recourse amounts" that can reasonably be considered to relate to such Units. Any such reduction may reduce the amount of deductions otherwise available to the Limited Partner to the extent that deductions are not reduced at the Partnership level as described above. Generally, for purposes of the Tax Act, a "limited recourse amount" is the unpaid principal amount of any debt for which recourse is limited, and the unpaid principal amount of any debt is deemed to be a limited recourse amount unless:

(a) *bona fide* written arrangements were made, at the time the debt was incurred, for payment of principal and interest within a reasonable period not exceeding ten years (which may include a demand loan);
(b) the debt bears interest at a rate not less than the applicable rates prescribed under the Tax Act and the Tax Regulations; and
(c) the interest is paid in respect of the debt at least annually within 60 days of the end of the debtor's taxation year.

Prospective purchasers of Units who propose to finance the acquisition of their Units should consult their own tax advisors.

Income Tax Withholding and Installments

Limited Partners who are employees and have income tax withheld at source from their employment income may request that the CRA exercise its discretionary authority and authorize a reduction of such withholding as a result of the reduction in their employment income which will result from their ability to deduct Eligible Expenditures allocated to them from the Partnership. The CRA, however, has a discretionary power whether or not to accede to such a request.

Limited Partners who are required to pay income tax on an installment basis may, depending on the method used for calculating their instalments, take into account their share of Eligible Expenditures and any loss of the Partnership in determining their installment remittances.

Adjusted Cost Base of Units

Subject to any adjustments required by the tax shelter investment rules and the other detailed provisions of the Tax Act, a Limited Partner's adjusted cost base of a Unit will generally consist of the purchase price paid for the Unit, increased by any share of income allocated to the Limited Partner in respect of the Unit (including a pro rata share of the full amount of any capital gains realized by the Partnership) and reduced by any share of losses (including a pro rata share of the full amount of any capital losses realized by the Partnership) any Eligible Expenditures allocated to the Limited Partner, the amount of any investment tax credits claimed in preceding years, and the amount of any distributions made to the Limited Partner from the Partnership in respect of the Unit.

Where, at the end of a fiscal period of the Partnership, the adjusted cost base to a Limited Partner of a Unit becomes a negative amount, the negative amount is deemed to be a capital gain realized by the Limited Partner at that time from the disposition of the Unit and, also at that time, the Limited Partner's adjusted cost base of the Unit will be increased in an amount equal to that of the deemed capital gain, so that the Limited Partner's adjusted cost base of the Unit at that time will be nil.

Disposition of Partnership Units

On a disposition or deemed disposition of Units, a Limited Partner will generally realize a capital gain (or a capital loss) equal to the amount by which the Limited Partner's proceeds of disposition are greater (or less) than the aggregate of the Limited Partner's adjusted cost base of the Units and any reasonable costs incurred by the Limited Partner in connection with the disposition.

A Limited Partner must include in income for a taxation year one-half of any capital gain ("taxable capital gain") realized by the Limited Partner on a disposition or deemed disposition of a Units in the year. The Limited Partner generally must deduct one-half of the amount of any capital loss ("allowable capital loss") realized by the Limited Partner in a taxation year on the disposition or deemed disposition of a Unit against the Limited Partner's taxable capital gains for the year. Allowable capital losses in excess of taxable capital gains realized by the Limited Partner in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted against net taxable capital gains in any subsequent year, subject to the detailed provisions of the Tax Act.

A Limited Partner which is a Canadian-controlled private corporation, as defined in subsection 125(7) of the Tax Act, will be subject to an additional refundable tax of 10 2/3% in respect of its aggregate investment income for the year, which is defined to include taxable capital gains.

Only a person who is a Limited Partner at the end of a fiscal period of the Partnership will be entitled to a pro rata share of the Partnership's losses and Eligible Expenditures in that fiscal period. **A Limited Partner who is considering a disposition of Units during the current fiscal period of the Partnership should obtain tax advice before doing so.**

Transfer of Partnership's Assets

The General Partner may transfer to a Mutual Fund the assets of the Partnership pursuant to a Mutual Fund Rollover Transaction and receive Mutual Fund shares. Provided the appropriate elections are made and filed in a timely manner, and subject to compliance with the other requirements set forth in the Tax Act, no capital gains will be realized by the Partnership from the transfer. Further, provided the Partnership is dissolved within 60 days of the asset transfer and certain other requirements are satisfied, the Mutual Fund shares will be distributed to the Limited Partners with a cost for tax purposes equal to the adjusted cost base of the Units held by the Limited Partners (less any money received), and a Limited Partner will be deemed to have disposed of the Units for proceeds of disposition equal to that same cost plus the amount of any money so distributed. As a result, a Limited Partner generally will not be subject to tax in respect of such transaction if no money is distributed to the Limited Partner on dissolution.

A transfer of the Partnership's assets on a dissolution of the Partnership, other than as described in the preceding paragraph, could result in income or capital gains to the Limited Partners. However, the form of any such dissolution transaction and the tax consequences associated with it can only be ascertained with any degree of certainty at the time the Partnership is to be dissolved. Consequently, Limited Partners are encouraged to seek independent income tax advice regarding any particular proposal regarding dissolution of the Partnership.

Minimum Tax

The Tax Act requires that individuals (including certain trusts) compute an alternative minimum tax., determined by reference to the amount by which the individual's "adjusted taxable income" for the year exceeds his or her basic exemption which, in the case of an individual (other than certain trusts) is $40,000. In computing his or her adjusted taxable income, a taxpayer must include, among other things, all taxable dividends (without application of the gross-up), and 80 % of net capital gains. Various deductions and credits will be denied, including amounts in respect of Eligible Expenditures and any losses of the Partnership. A federal tax rate is applied at a rate of 15% to the amounts subject to the minimum tax, from which the individual's "basic minimum tax credit for the year" is deducted. Included in the basic minimum tax credit are certain specified personal and other credits available to an individual under the Tax Act as deductions from tax payable for the year. Generally, if the minimum tax so calculated exceeds tax otherwise payable under the Tax Act, the minimum tax will be payable. **Subscribers are urged to consult their tax advisors to determine the impact of alternative minimum tax to them, having regard to their own particular circumstances.**

Exchange of Tax Information

The Tax Act and the Canada – United States Enhanced Tax Information Exchange Agreement contain due diligence and reporting obligations in respect of "US reportable accounts" invested in funds such as the Partnership. Limited Partners may be requested to provide information to the General Partner or registered dealers through whom Units are distributed to identify United States ("U.S.") persons holding Units. If a Limited Partner is a U.S. person (including a U.S. citizen) or if a Limited Partner does not provide the requested information, the Tax Act will generally require information about the Limited Partner's investments to be reported to the CRA. The CRA is expected to provide such information to the U.S. Internal Revenue Service.

Effective July 1, 2017, the Tax Act was amended such that it now contains rules similar to the foregoing in respect of non-Canadian non-U.S. investors. Pursuant to these Tax Proposals, the Partnership (or dealers through which Limited Partners hold their Units) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities, the "controlling persons" of which are resident in such foreign countries, and to report required information to the CRA. Such information will generally be exchanged on a reciprocal, bilateral basis with the foreign jurisdictions in which the account holders or such controlling persons are resident. Limited Partners will be required to provide certain information regarding their investment in the Partnership for the purpose of such information exchange (which information exchange is expected to occur beginning in May of 2018).

6.3 Non-Eligibility for Investment in Deferred Income Plans

A Unit will not be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan, registered disability savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan or tax-free savings account. Investors who purchase Units through such plans or accounts will be subject to material adverse tax consequences as a result thereof.

6.4 Tax Shelter

The federal tax shelter identification number in respect of the Partnership is **TS086488**. This identification number is required to be included in any income tax return filed by a Limited Partner. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of a Limited Partner to claim any tax benefits associated with an investment in the Units.

Counsel has been advised by the General Partner that it intends to file all necessary tax shelter information returns and, where applicable, provide each Limited Partner with copies thereof.

Item 7: Compensation Paid to Sellers and Finders

The Agents' Fees payable by the Partnership will be paid from the Gross Proceeds. The Partnership will pay to the Agents a sales fee of up to $6.00 (6%) for each Class A Unit sold by the Agents to an investor, being, in the case of the maximum Offering, an aggregate of $600,000 and, in the case of the minimum Offering, an aggregate of $30,000. See Item 6.2.

Item 8: Risk Factors

This is a speculative Offering and investors should not invest in Units unless they can absorb the loss of some or all of their investment. Investors should consult with their own professional advisors to assess the legal, tax and other aspects of an investment prior to investing in Units. There is no assurance of a positive return on a Limited Partner's original investment. Investors should consider the risk factors specified in this Offering Memorandum, including the following risk factors, before purchasing Units.

8.1 Speculative Investments

An investment in Units is speculative in nature and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There is no guarantee that an investment in the Partnership will earn a specified rate of return or any return in the short or long term.

8.2 Reliance on the Portfolio Manager and the General Partner

Limited Partners must rely entirely on the discretion of the Portfolio Manager and the General Partner in entering into Flow-Through Investment Agreements with Resource Companies, in determining (in accordance with the Partnership's Investment Guidelines) the composition of the portfolio of securities of Resource Companies to be owned by the Partnership, and in determining the timing of the disposition of such securities (including Flow- Through Shares) owned by the Partnership. Flow-Through Shares may be issued to the Partnership at prices greater than the market prices of comparable ordinary common shares not qualifying as Flow- Through Shares, and Limited Partners must rely entirely on the discretion of the Portfolio Manager and the General Partner in negotiating the pricing of those securities and on the knowledge and expertise of the Portfolio Manager and General Partner. There is no certainty that the Portfolio Manager's employees who will be responsible for the management of the Partnership's portfolio of securities, will continue to be employees of the Portfolio Manager throughout the term of the Partnership. The Portfolio Manager and General Partner will not always receive or review engineering or other technical reports prepared by Resource Companies in connection with their exploration programs prior to making investments.

8.3 Marketability of Units and Resale Restrictions

There is no market through which the Units may be sold and purchasers may not be able to resell Units purchased under this Offering Memorandum. No market for the Units is expected to develop. The Units are being sold on a private placement basis and any resale of the Units must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require re-sales to be made in accordance with exemptions from registration and prospectus requirements of applicable securities laws. Certificates evidencing the Units shall contain a legend to this effect. See Item 10.

8.4 Blind Pool

This is a blind pool Offering. As of the date hereof, the Partnership has not entered into any Flow-Through Investment Agreements to acquire Flow-Through Shares or other securities of Resource Companies or selected any Resource Companies in which to invest. However, the Partnership may, prior to the Initial Closing, enter into Flow-Through Investment Agreements with one of more Resource Companies, provided such agreements will be conditional upon the completion of the Initial Closing of the Offering. Following the Initial Closing, the Partnership will enter into additional Flow-Through Investment Agreements.

8.5 Operating History and Financial Resources of the General Partner

The General Partner was incorporated in May, 2014. The General Partner may, at all material times hereafter, only have nominal assets. While the current General Partner has agreed to indemnify the Limited Partners in certain circumstances, it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

8.6 Liquidity of Securities of Resource Companies

The Net Asset Value of Units of the Partnership will vary in accordance with the value of the securities acquired by the Partnership. In some cases the value of securities owned by the Partnership may be affected by such factors as investor

demand, resale restrictions, general market trends or regulatory restrictions. Fluctuations in the market values of such securities may occur for a number of reasons beyond the control of the General Partner, the Portfolio Manager or the Partnership, and there is no assurance that an adequate market will exist for securities acquired by the Partnership and such securities may lack market liquidity which may impact upon their value and upon their marketability when they are distributed to holders of Units of the Partnership in connection with the Mutual Fund Rollover Transaction or a Dissolution Transaction.

8.7 The Mutual Fund Rollover Transaction, Dissolution Transaction, and Resale Restrictions

There can be no assurance that the Mutual Fund Rollover Transaction will be implemented for the Partnership. There is no assurance that the Mutual Fund Rollover Transaction can be completed in a tax-deferred manner or result in the distribution to Limited Partners of securities of the mutual fund corporation that are not subject to resale restrictions. In the event that the Mutual Fund Rollover Transaction is not completed, a Dissolution Transaction may not be available on a tax-deferred basis or may result in the distribution to Limited Partners of securities that are subject to resale restrictions. For example, if the Partnership is unable to dispose of all investments prior to the implementation of the Dissolution Transaction, Limited Partners may receive securities or other interests of Resource Companies upon the dissolution of the Partnership, which may be subject to resale and other restrictions under applicable securities law.

8.8 Transferability of the Units

The sale of a Unit could result in failure to realize minimum tax savings and proceeds equal to the Limited Partner's share of the Net Asset Value, and possible liability for capital gains tax. Most of the tax advantages that would ordinarily flow through to Limited Partners are expected to be realized for the 2017 taxation year and, to realize such tax advantages, the person must be a Limited Partner as of December 31, 2017, and an assignor of Units before, and an assignee of Units after, December 31, 2017 is not expected to realize such tax advantages.

8.9 Sector-Specific Risks

Resource exploration is very high risk and speculative. Many factors not within the control of the Limited Partner, General Partner and the Resource Company may adversely affect the activities of Resource Companies including, but not limited to, fluctuations in commodity prices, global financial markets and general economic conditions, decreased demand for commodities, politics both local and global, imposition of fees, tariffs, duties or taxes, changes in government regulation, liability for aboriginal, community or special interests, liability for environment monitoring and remediation programs and challenges of resource ownership or revocation of title by governments. Resource Companies may never discover an economic resource and may be adversely affected by depletion of reserves or resources, fluctuations or increase in development costs, shortages of skilled labour, natural disasters, and human error. As the Partnership may invest in early stage, high risk, resource and energy companies, the volatility of the Net Asset Value of its portfolio may be higher than more greatly diversified portfolios.

8.10 Flow-Through Shares and Available Funds

There can be no assurance that the Portfolio Manager will, on behalf of the Partnership, commit all Available Funds of the Partnership for investment in Flow-Through Shares by December 31, 2017. Any Available Funds of the Partnership not committed to purchase Flow-Through Shares prior to January 1, 2018 will be returned by January 31, 2018 to the Limited Partners of record of the Partnership on December 31, 2017 without interest or deduction. If uncommitted funds are returned in this manner, Limited Partners of the Partnership will not be entitled to claim the anticipated deductions from income for income tax purposes.

There can be no assurance that Resource Companies will honour their obligation to incur and renounce Eligible Expenditures and notwithstanding that such Resource Companies may have indemnified the Partnership for any additional tax payable in the event of such failure, the Partnership may not be able to recover any losses suffered as a result of such a breach of such obligation by a Resource Company.

8.11 Flow-Through Share Premiums

Flow-Through Shares may be issued to the Partnership at prices that exceed the market prices of similar common shares that do not provide for Eligible Expenditures to be renounced in favour of the holders. Competition for the purchase of

Flow-Through Shares may increase the premium at which such shares are available for purchase by the Partnership. Limited Partners must rely entirely on the discretion of the General Partner and the Portfolio Manager in negotiating the pricing of Flow-Through Shares.

8.12 Concentration Risk

The Partnership intends to invest the Available Funds in Flow-Through Shares of junior and intermediate Resource Companies engaged in resource exploration, development and/or production in Canada. Concentrating its investment in this manner may result in the value of the Units fluctuating to a greater degree than portfolios with a more diversified investment focus. The size of the Offering will directly affect the degree of diversification of the portfolio of Flow-Through Shares held by the Partnership and may affect the scope of investment opportunities available to the Partnership.

8.13 Changes in Net Asset Values

The purchase price per Unit paid by an investor at a Closing subsequent to the Initial Closing may be less than or greater than the aggregate Net Asset Value per Unit at the time of purchase.

The value of the Units may fluctuate due to variations in the value of investments held by the Partnership. Fluctuations in the market values of portfolio investments may occur for a number of reasons beyond the control of the Partnership and the Manager, including fluctuations in market prices for commodities and foreign exchange rates and other risks described above under ''Sector Specific Risks''.

The Partnership invests primarily in Flow-Through Shares issued by Resource Companies. Accordingly, the investment portfolio of the Partnership may be more volatile than portfolios with a more diversified investment focus.

8.14 Global Economic Downturn

In the event of a continued global economic downturn, there can be no assurance that the business, financial condition and results of operations of the Resource Companies in which the Partnership invests would not be materially adversely affected.

8.15 Environmental Regulation

A Resource Company's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced or used in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition on the Resource Company of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments.

Environmental legislation is evolving in a manner that has led to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of a Resource Company's operations. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect a Resource Company's financial condition, results of operations or prospects.

8.16 Government Regulation

A Resource Company's resource exploration or resource operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rate of exchange, return of capital and labour relations. A Resource Company's resource property interests may be located in foreign jurisdictions, and its exploration operations in such jurisdictions may be affected in varying degrees by political and economic stability, and by changes in regulations or shifts in political or economic conditions that are beyond the Resource Company's control. Any of these factors may adversely affect the Resource Company's business and/or its resource property holdings. Although a Resource Company's exploration activities may be carried out in accordance with all applicable rules and regulations at any point in time, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Resource Company's operations. Amendments to current laws and regulations governing the operations of a Resource Company or more stringent

enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the Resource Company.

8.17 Possible Tax Deductions and Losses Associated with Investments in Resource Companies

The ability of the Partnership to achieve, and the Investor to realize, the income tax deductions associated with Flow-Through Shares is entirely dependent upon the ability of the Partnership to acquire Flow-Through Shares in Resource Companies. The business activities of Resource Companies are highly speculative and may be adversely affected by factors outside the control of those issuers, which will affect the marketability and value of the underlying Flow-Through Shares. There is no guarantee that the required quantity of Flow-Through Shares will be available for purchase by the Partnership. Resource Companies may not hold or discover commercial quantities of mineral resources, petroleum, or natural gas or obtain or maintain access to adequate resources, and their profitability may be affected by adverse fluctuations in commodity prices, demand for commodities, general economic conditions and cycles, unanticipated depletion of reserves or resources, native land claims, liability for environmental damage, competition, imposition of tariffs, duties or other taxes and government regulation, as applicable. Since the Partnership will invest primarily in securities issued by issuers engaged only in resource businesses (including junior issuers), the value of the Partnership's portfolio of investments may be more volatile than portfolios with a more diversified investment focus; also, the value may fluctuate with underlying market price for commodities produced by those sectors of the economy.

Tax authorities may disagree with the characterization of gains realized by the Partnership on the sale of Flow-Through Shares as being on capital account rather than on income account, or with the classification of the Eligible Expenditures made by Resource Companies. Any such re-characterization or reclassification, as the case may be, resulting from such disagreement will reduce the return on an investment in the Units.

8.18 Tax-Related Risks

An investment in Units is appropriate only for investors who have the capacity to absorb the loss of their entire investment. The tax benefits resulting from an investment in the Partnership are greatest for an investor whose income is subject to the highest marginal income tax rate. **Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of the merits of the investment apart from the related tax benefits, and on the investor's ability to bear a loss of its investment. Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.**

No assurance can be given that federal or provincial income tax legislation will not be amended or that announced changes to such legislation will not be adopted (including, in limited circumstances, on a retroactive basis) in such a manner as to fundamentally alter the tax consequences of holding or disposing of Units or other securities which may be received in exchange for Units.

There is no assurance that all of the funds raised by the Partnership will in fact be invested in Flow-Through Shares or that amounts incurred and renounced by Resource Companies to the Partnership will qualify as Eligible Expenditures. There is no assurance that expenditures incurred or renounced by a Resource Company will qualify as Eligible Expenditures. The Eligible Expenditures incurred and renounced by Resource Companies may be reduced by other events, including failure of the Resource Companies to comply with the provisions of the Flow-Through Investment Agreements or with applicable income tax legislation. There is no assurance that Resource Companies will comply with the provisions of the Flow-Through Investment Agreements or with applicable income tax legislation with respect to the nature of expenses renounced to the Partnership. There is no assurance that Resource Companies will incur all Eligible Expenditures before January 1, 2018 or January 1, 2019, as applicable, equal to the price paid to them effective on or before December 31, 2017, or at all. The Partnership may also fail to comply with applicable legislation. These factors may reduce or eliminate the return on a Limited Partner's investment in Units.

If Eligible Expenditures renounced within the first 3 months of 2018 effective December 31, 2017 are not in fact incurred in 2018, the Partnership's, and consequently the Limited Partners', CEE will be adjusted effective as of December 31, 2017 in order to reduce the Limited Partners' deductions with respect thereto. However, none of the Limited Partners will be charged interest on any unpaid tax as a result of such reduction for any period before May 1, 2019.

Tax authorities may disagree with (i) the characterization of a gain realized by the Partnership on the sale of Flow-Through Shares as being on capital account rather than on income account, and (ii) with the classification of the Eligible Expenditures

made by Resource Companies. Any such re-characterization or reclassification, as the case may be, resulting from such disagreement will generally reduce the return on an investment in the Units. Moreover, in the event that any of the proceeds of the offering are not invested in Flow-Through Shares of Resource Companies, the anticipated deductions will not be fully realized.

There is the possibility that Limited Partners will receive allocations of income without receiving distributions from the Partnership in that year sufficient to pay the tax they may owe in that year in respect of such allocations.

Individuals are subject to a minimum tax. The minimum tax could limit tax benefits available to certain investors. Reference is made to Item 6.2 under the caption "Minimum Tax".

If a Limited Partner finances the acquisition of the Units with a financing for which recourse is, or is deemed to be, limited, the Eligible Expenditures or other expenses incurred by the Partnership may be reduced by the amount of such financing.

The summary set out under Item 6 does not address the deductibility of interest by Limited Partners. Any Limited Partner who has borrowed money to acquire Units should consult his or her own tax advisor in this regard.

There is a possibility that the CRA may deny the deductibility of fees paid to the General Partner in certain circumstances, resulting in a loss of a deduction in computing the Partnership's income which would otherwise be allocable to Limited Partners. Pursuant to the Partnership Agreement, the General Partner is entitled to a fee of up to 6% of the gross proceeds of the Offering on account of expenses of the Offering (other than the Agents' Fees). To the extent that the amount paid to the General Partner exceeds reimbursements for Offering expenses, the CRA may assert that an entitlement of the General Partner to the excess is more appropriately treated as an entitlement to share in any income of the Partnership as a Partner and, therefore, may not result in a deduction in computing the Partnership's income. If the CRA successfully applied any such treatment, then a loss of the Partnership otherwise allocable to the Limited Partners would be reduced or denied to the extent of such deduction.

If the Partnership were to constitute a "SIFT partnership" within the meaning of the Tax Act, the income tax consequences described under the heading Item 6 would, in some respects, be materially different.

Where a Resource Company has a "prohibited relationship" as defined in the Tax Act with an investor that is a trust, partnership or corporation, the Resource Company may not renounce Qualifying CDE to such investor. Briefly, a Resource Company has a prohibited relationship with a trust or a partnership if the Resource Company or a corporation related to the Resource Company is a beneficiary of the trust or is a member of the partnership. A Resource Company has a prohibited relationship with a corporation if the Resource Company and the corporation are related. Shares of a Resource Company issued to an investor that does not deal at arm's length with the Resource Company or to a trust of which such investor is a beneficiary or to a partnership of which such investor is a member may not qualify for renunciation as Flow-Through Shares.

Further, a Resource Company may not renounce Eligible Expenditures incurred by it after December 31, 2017 with an effective date of December 31, 2017 to a subscriber of Flow-Through Shares with which it does not deal at arm's length at any time during 2018. The Partnership will be deemed not to deal at arm's length with a Resource Company if any of its partners who are entitled to receive allocations of such Eligible Expenditures do not deal at arm's length with such Resource Company. A prospective investor who does not deal at arm's length with a corporation that may issue Flow-Through Shares should consult with the investor's own tax advisor before acquiring Units.

As part of its 2015 federal election platform, the now-elected Liberal government announced its intention to reduce fossil fuel subsidies and that, as a first step in achieving that goal, the availability of CEE deductions would be limited to cases of unsuccessful exploration. The material in the pre-election fiscal plan indicates that the phase out will commence in the 2017/18 fiscal year. After the election, the Prime Minister directed the Minister of Finance in a mandate letter that one of his "top priorities" should be to "develop proposals to allow a Canadian Exploration Expense tax deduction only in cases of unsuccessful exploration and re-direct any savings to investments in new and clean technologies." It is unclear whether the proposed changes will also impact CEE incurred in the course of mineral exploration or CRCE. The extent and timing of the impact on the Flow-Through Share regime in the Tax Act is also unclear.

The 2017 Federal Budget announced measures that, if enacted, will: (a) eliminate the ability of Resource Companies to incur Qualifying CDE after 2018 and renounce it as CEE; and (b) classify certain expenses incurred after 2018 related to drilling or completing a discovery well (or in building a temporary access road to, or in preparing a site in respect of, any such well) as

CDE. Currently, such expenses are generally CEE. These Tax Proposals, if enacted as proposed, are not expected to impact expenses renounced to the Partnership since the General Partner expects that all expenses renounced to the Partnership by Resource Companies will be incurred before 2019. To what extent, if any, further proposals will be introduced, and the impact of such proposals on the flow-through share regime in the Tax Act, is unclear.

8.19 Lack of Suitable Investments

The Portfolio Manager may not be able to identify a sufficient number of investments in Flow-Through Shares to fully invest the Available Funds by December 31, 2017, and, therefore, capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income for income tax purposes. In such event, the tax advantages available to Limited Partners will be reduced accordingly.

To obtain the tax advantages for Limited Partners as described herein, the Partnership is required to enter into Flow-Through Investment Agreements with Resource Companies in respect of the Available Funds by December 31, 2017. No assurance can be given that there will be a sufficient number of Resource Companies willing to enter into such agreements on or before December 31, 2017. If the Partnership is unable to enter into Flow-Through Investment Agreements by December 31, 2017 for the full amount of the Available Funds, the General Partner will cause to be returned to each Limited Partner by January 31, 2018 such Limited Partner's share of the amount of the shortfall, except to the extent that such funds are expected to be used to finance the operations of the Partnership, including the accrued management fee, or to repay indebtedness, if any. In such event, the tax advantages available to Limited Partners will be reduced accordingly.

8.20 Liability of Limited Partners

Limited Partners may lose their limited liability in certain circumstances, including by taking part in the control or management of the business of the Partnership. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province but carrying on business in another province or territory have not been authoritatively established. If limited liability is lost, there is a risk that Limited Partners may be liable beyond their contribution of capital and share of undistributed net income of the Partnership in the event of judgment on a claim in an amount exceeding the sum of the net assets of the General Partner and the net assets of the Partnership. While the General Partner has agreed to indemnify the Limited Partners in certain circumstances, the General Partner has only nominal assets, and it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

Limited Partners remain liable to the Partnership for the return of any amount distributed to them as may be necessary to restore the capital of the Partnership to the amount existing before such distribution if, as a result of any such distribution, the capital of the Partnership is reduced and the Partnership is unable to pay its debts as they become due.

8.21 Conflicts of Interest

The General Partner and the Investment Fund Manager

The General Partner is entitled to receive the General Partner's Fee, and the Performance Bonus, if any. The Investment Fund Manager is entitled to receive the Management Fee and a portion of the Performance Bonus from the General Partner. See Item 1.1. Certain of the directors and officers of the General Partner and the Investment Fund Manager (and their respective affiliates) may own shares in the Resource Companies in which the Partnership invests.

The Investment Fund Manager is owned by Pangaea Asset Management Holding Co. Inc. and Pangaea Asset Management Holding Co. Inc. also owns the General Partner. Linda Palin is the sole shareholder and Director of Pangaea Asset Management Holding Co. Inc.

Directors of the General Partner and the Investment Fund Manager may from time to time be associated with other companies or entities that may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or proposed material contract with the General Partner and the Investment Fund Manager are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors of the General Partner are required to act honestly and in good faith with a view to the best interests of the General Partner.

The General Partner and the Investment Fund Manager and their respective affiliates may engage in the promotion, management, or investment management of any other fund or partnership, including other funds, partnerships, or entities that invest primarily in Flow-Through Shares and Resource Companies in which the Partnership invests and may receive fees from such companies. In addition, affiliates of the General Partner and the Investment Fund Manager may be entitled to receive fees, and in some cases, rights to purchase shares in connection with the sale of Flow-Through Shares to the Partnership.

The Portfolio Manager

The services of the Portfolio Manager with respect to investing in Flow-Through shares are not exclusive to the Partnership. The Portfolio Manager and its affiliates are not in any way limited or affected in their ability to carry on other business ventures for their own account and for the account of others and currently engage and may in the future engage in the same business activities or pursue the same investment opportunities as the Partnership. The Portfolio Manager is entitled to receive the Portfolio Manager's fee from the General Partner and a percentage of the Wind-Up Fee and the Performance Bonus, if any, from the General Partner. Certain directors, officers or employees of the Portfolio Manager and its affiliates (or the associates of such individuals) may be or become directors or officers of Resource Companies in which the Partnership may invest. NPMM has created a comprehensive Policies and Procedures Manual containing a Conflict of Interest Policy. This Policy mandates identification, avoidance, and minimization of all actual or potential conflicts of interest affecting Pangaea's clients. Each of NPMM's employees and Agents is required to have read and understood this Policy.

The Agents

The services of the Agents are not exclusive to the Partnership. The General Partner made the decision to create the Partnership and distribute its Units and, together with the Agents, determined the terms of the Offering. The Agents will receive a fee of up to 6% for each Class A Unit sold in connection with this Offering as described under ''Plan of Distribution''. Pangaea, an Agent, is wholly-owned by Pangaea Asset Management Holding Co. Inc.

The Agents or their affiliates may provide corporate finance or financial advisory services to any other funds, partnerships or entities that invest primarily in Flow-Through Shares, including Resource Companies in which the Partnership invests and may receive fees from such companies.

Affiliates of and other entities related to the General Partner may earn finder's fees, placement fees, consulting fees, or due diligence fees paid by Resource Companies in the form of cash, options, shares, rights to purchase shares, share purchase warrants, or other consideration in connection with the evaluation of Resource Companies and negotiation of terms with respect to flow-through financing from such companies, and other services, and shall have no duty to account for such fees to the Partnership, General Partner, or any of the Limited Partners. Such fees shall be in line with normal practice and with levels prevailing in similar transactions where investment bankers and others who are at arms-length to the General Partner earn finder's fees, commission, due diligence, or other fees. Any and all such fees will be paid from funds other than funds invested by the Partnership in Super Flow-Through Shares and Flow-Through Shares.

Investment Opportunities

The General Partner, the Investment Fund Manager and their respective affiliates are not in any way limited or affected in their ability to carry on other business ventures for their own account and for the account of others and currently engage and may in the future engage in the same business activities or pursue the same investment opportunities as the Partnership. Conflicts of interest may arise from time to time in allocating investment opportunities, timing investment decisions, and exercising rights in respect of and otherwise dealing with such securities of Resource Companies. There is no obligation on the General Partner, the Investment Fund Manager, the Portfolio Manager or the Agents or their respective officers, directors and affiliates to present any particular investment opportunity to the Partnership and such persons may recommend to others such investment opportunity. The General Partner and the Investment Fund Manager may from time to time disclose to such affiliates information regarding potential investment opportunities for the Partnership. Where conflicts of interest arise with respect to investment opportunities, the Portfolio Manager will address such conflicts of interest with regard to the investment objectives of each of the parties involved and will act in accordance with the duty of care owed to each of them.

Item 9: Reporting Obligations

9.1 Annual and On-Going Reporting Requirements

The General Partner will send to the Limited Partners, on an ongoing basis, any notices that it is required to send pursuant to the Partnership Agreement. Audited financial statements of the Partnership will be sent to Investors on or about April 30, 2018. The Partnership intends to send out to the Limited Partners the T5013 federal tax receipts for 2017 on or about March 31, 2018.

Pursuant to the Partnership Agreement, the General Partner shall ensure that copies of the following are delivered to each Limited Partner within the following time periods: (i) all necessary tax shelter and partnership information returns by March 31 may be required by the Securities Act (Ontario)) of the end of each Fiscal Year and all tax filing related information for the Fiscal Year as described in Section 11.2 by March 31 of the subsequent Fiscal Year; and (ii) other such reports as may be required by the *Securities Act (*Ontario).

Item 10: Resale Restrictions

General Statement

The distribution of Units is being made only on a private placement basis and is exempt from the requirement that the Partnership prepares and files a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Units must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction and which may require that resales be made in accordance with exemptions from the registration and prospectus requirements of applicable securities laws. Certificates evidencing the Units will bear a legend describing such resale restrictions. In addition, Limited Partners selling Units of the Partnership may have reporting and other obligations. Purchasers are advised to seek legal advice prior to any resale of the Units.

Purchasers in Alberta, British Columbia, and Saskatchewan:

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.1 Restricted Period - Purchasers in Alberta, British Columbia, and Saskatchewan

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Partnership becomes a reporting issuer in any province or territory of Canada.

10.2 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

(a) the Partnership has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Item 11: Purchasers' Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(a) **Two Day Cancellation Right**

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by **midnight on the 2nd business day after you sign the agreement to buy securities.**

(b) **Statutory Rights of Action in the Event of a Misrepresentation**

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an Offering Memorandum (such as this Offering Memorandum) with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the Offering Memorandum and any amendment to it contains a misrepresentation. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. Investors should consult with a legal advisor and refer to the applicable legislative provisions of their province for the complete text of these rights.

British Columbia and Alberta: If you are a resident of British Columbia or Alberta and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Partnership to cancel your agreement to buy these securities, or
(b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

Ontario: If you are a resident of Ontario and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Partnership:

(a) for damages against the issuer and a selling security holder on whose behalf the distribution is made or
(b) if the purchaser purchased the security from a person or company referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person or company. If the purchaser exercises this right, the purchaser ceases to have a right of action for damages against the person or company. 2004, c. 31, Sched. 34, s. 7.

Saskatchewan: If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Partnership to cancel your agreement to buy these securities, or
(b) for damages against:

(i) the Partnership and every promoter or director of the Partnership or the General Partner at the time this Offering Memorandum or the amendment to the Offering Memorandum was sent or delivered; and

(ii) 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; and

(iii) every person who or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed the Offering Memorandum or an amendment to the Offering Memorandum; and

(iv) every person who or company that sells securities on behalf of the Partnership under the Offering Memorandum or an amendment to the Offering Memorandum.

If you intend to rely on the rights described in (a) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities.

If you intend to rely on the rights described in (b) above, you must do so within strict time limitations. You must commence your action for damages within the earlier of one year after learning of the misrepresentation and 6-years after you signed the agreement to purchase the securities.

In Ontario, British Columbia, and Alberta, you must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3-years after you signed the agreement to purchase the securities. In Saskatchewan, you must commence your action for damages within the earlier of one year after learning of the misrepresentation and 6-years after you signed the agreement to purchase the securities.

If you elect to exercise your right of rescission against the Partnership, you will not have the right of action for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation; however, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities.

In the case of an action for damages, the Partnership will not be liable for all or any part of the damages that it proves does not represent the depreciation in value of the securities resulting from the misrepresentation and in no case will the amount exceed the price at which the securities were offered to you under this Offering Memorandum.

(c) Contractual Rights of Action in the Event of a Misrepresentation

If you are a resident of Manitoba and if there is a misrepresentation in this Offering Memorandum, you have a contractual right set out in your subscription agreement to sue the Partnership:

(a) to cancel your agreement to buy these securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Partnership proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Partnership has a defense if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 2 years after you signed the agreement to purchase the securities.

The foregoing is a summary only of your rights. You are advised to consult your legal advisors for advice concerning your rights of action.

INDEPENDENT AUDITORS' REPORT

To the Partners of
Pangaea Flow-Through Fund 2017 Limited Partnership

We have audited the accompanying financial statements of Pangaea Flow-Through Fund 2017 Limited Partnership, which comprise the statement of financial position as at August 29, 2017 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows from the formation of the Partnership, August 11, 2017, to August 29, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Pangaea Flow-Through Fund 2017 Limited Partnership as at August 29, 2017, its financial performance and its cash flows from the formation of the Partnership, August 11, 2017 to August 29, 2017 in accordance with International Financial Reporting Standards.

GOODMAN & ASSOCIATES LLP

Toronto, Ontario
September 6, 2017

Chartered Professional Accountants
Licensed Public Accountants

Pangaea Flow-Through Fund 2017 Limited Partnership
Statement of Financial Position
(Expressed in Canadian Dollars)
As at August 29, 2017

ASSET

Cash	$ 100
Net Assets Attributable to Holders of Redeemable Units	$ 100
Number of Redeemable Units Outstanding	1.0000
Net Assets Attributable to Holders of Redeemable Units	$ 100

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Partnership, _____ Director
Pangaea Flow - Through GP Inc.

Pangaea Flow-Through Fund 2017 Limited Partnership
Statement of Comprehensive Income
(Expressed in Canadian Dollars)
From the formation of the Partnership, August 11, 2017, to August 29, 2017

Revenue	
	$ -
Expenses	
	-
Net Comprehensive Income	$ -
Net Change in Unrealized Appreciation in Value of Investments	$ -

The accompanying notes are an integral part of these financial statements.

Pangaea Flow-Through Fund 2017 Limited Partnership
Statement of Changes In Net Assets Attributable to Holders of Redeemable Units
(Expressed in Canadian Dollars)
From the formation of the Partnership, August 11, 2017, to August 29, 2017

Net Assets Attributable to Holders of Redeemable Units, Beginning of period	$ -
Net Comprehensive Income	-
Partner's Transactions	
Proceeds from issuance of partnership unit (Note 8)	100
Net Assets Attributable to Holders of Redeemable Units, End of period	$ 100

The accompanying notes are an integral part of these financial statements.

Pangaea Flow-Through Fund 2017 Limited Partnership

Statement of Cash Flows

(Expressed in Canadian Dollars)

From the formation of the Partnership, August 11, 2017, to August 29, 2017

OPERATING ACTIVITY	
Net comprehensive income	$ -
FINANCING ACTIVITY	
Proceeds from issuance of redeemable units	100
INCREASE IN CASH DURING THE PERIOD	100
CASH, Beginning of period	-
CASH, End of period	$ 100

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Pangaea Flow-Through Fund 2017 Limited Partnership (the "Partnership") was formed as a limited partnership pursuant to the provision of the Limited Partnerships Act (Ontario) on August 11, 2017. The Partnership's registered address is 1501-150 Ferrand Drive, Toronto, Ontario M3C 3E5. The general partner of the Partnership is Pangaea Flow-Through GP Inc. (the "General Partner"), which was incorporated under the laws of Canada on May 22, 2014. In accordance with the Partnership Agreement and the Investment Fund Management Agreement dated August 11, 2017, Pangaea Asset Management Inc. (the "Manager") has been appointed as the Investment Fund Manager.

The investment objective of the Partnership is to provide for a tax-assisted investment in a diversified portfolio of equity securities of mining, oil & gas, energy and resource - related companies with a view to achieving some capital appreciation and significant tax benefits for Limited Partners.

The success of the Partnership depends upon the success of selected investments, as well as upon the marketing and sales program and reception of the Partnership investment opportunity by investors seeking tax efficiencies. An investment vehicle of this nature is subject to various risk factors, including but not limited to, the availability of a sufficient number of resource companies willing to issue flow-through shares, the current lack of a market for the units of the Partnership, those risks inherent in exploration for natural resources, and the speculative nature of the business activities of resource companies.

2. BASIS OF PRESENTATION AND ADOPTION OF IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as required by Canadian securities legislation and the Canadian Accounting Standards Board.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following new standards and amendments to existing standards were issued by the International Accounting Standards Board (“IASB”):

The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, The Partnership is in the process of assessing the impact of IFRS 9..

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The following is a summary of significant accounting policies used by the Partnership:

Valuation of investments

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Partnership's Offering Memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, the Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstance where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. When the Partnership holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Partnership uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

Investments in warrants that are liquid and traded on an active stock market have been measured at fair value. Warrants not on an active exchange are valued using a recognized fair value model, being the Black-Scholes Model which can cause a difference between Net Asset Value per unit (Trading NAV) and Net Asset Value per unit (IFRS).

Classification

The Partnership classifies its investments in debt and equity securities and derivatives as financial assets and liabilities at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

i) Financial assets and liabilities held for trading
A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Partnership does not classify any derivatives as hedges in a hedging relationship.

ii) Financial assets and liabilities designated at fair value through profit or loss at inception
Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Partnership's documented investment strategy.

The Partnership recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular purchases and sales of financial assets are recognized at their trade date. The Partnership's investments have been designated at fair value through profit or loss (FVTPL). The Partnership's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Partnership's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (Trading NAV) for transactions with unitholders.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Classification (Cont'd)

Financial Instruments

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The three fair value hierarchy levels are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). As at August 29, 2017, the Partnership does not have any Level 3 financial instruments.

There were no transfers between levels from formation of the Partnership, August 11, 2017 to August 29, 2017.

Recognition/derecognition

The Partnership recognizes financial assets or liabilities designated as trading securities on the trade date – the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statement of Comprehensive Income.

Other financial assets are derecognized and only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Partnership derecognizes financial liabilities when, and only when, the Partnership's obligations are discharged, cancelled or they expire.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business the Partnership enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Partnership's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Net Assets attributable to holders of redeemable units per unit

The Net Assets attributable to holders of redeemable units per unit is calculated by dividing the Net Assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the period.

Investment transactions and revenue recognition

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Realized gain on sale of investments and unrealized appreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Income taxes

These financial statements include the assets and liabilities and results of operations of the Partnership and do not include the assets, liabilities, revenue and expenses of the limited partners. Income taxes are not eligible at the Partnership level and, accordingly, no provision is recorded in these financial statements.

Increase in Net Assets attributable to holders of redeemable units per unit

Increase in Net Assets attributable to holders of redeemable units per unit is based on the increase in Net Assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the period. Refer to Note 10 for the calculation.

Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in “Commissions and other portfolio transaction costs” in the Statement of Comprehensive Income.

Other assets and liabilities

Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature, and are carried at amortized cost which approximates fair value.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other portfolio transaction costs.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Partnership has made in preparing the financial statements:

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Partnership, the Manager is required to make significant judgments about whether or not the business of the Partnership is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, *Financial Instruments — Recognition and Measurement* (IAS 39). The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those which are not.

5. MATERIAL CONTRACTS AND COMMITMENTS

The General Partner's Fee

The General Partner is responsible for the management of the Partnership, the business of which is to invest in Flow-Through shares of Resource Companies as defined in accordance with the terms of the limited partnership agreement (the "Partnership Agreement") dated August 11, 2017. The General Partner will be responsible for administering and managing the Partnership and as a result, is responsible to pay all of the expenses of the Partnership.

5. MATERIAL CONTRACTS AND COMMITMENTS (Cont'd.)

The Partnership pays the General Partner a fee equivalent to up to 6% of the Gross Proceeds of the sale of the Units, being, in the case of the maximum Offering, an aggregate of $10,000,000 and, in the case of the minimum Offering, an aggregate of $500,000. The General Partner's Fee includes any applicable taxes. All expenses and any excess expenses of the Partnership shall be payable by the General Partner

Wind-Up Administration Fee

In consideration of the administration and costs of the winding up of the Partnership, the Partnership will pay to the General Partner a Wind-Up Administration Fee equivalent to 2.0% of the Net Asset Value of the Partnership, calculated and payable as of the date immediately prior to the earlier of: (i) the date of Mutual Fund Rollover Transaction, and (ii) the Dissolution Transaction, and in any event, prior to the Performance Bonus. The General Partner has agreed to pay to the Portfolio Manager 25% of that Wind-Up fee on Net Asset Value (NAV) under $3,500,000 and 50% of that Wind-Up fee on NAV over $3,500,00

Investment Fund Manager's Fee

The General Partner will pay to the Investment Fund Manager (from the General Partner's Fee) a fee equivalent to 2% of the Gross Proceeds of the sale of the Units. In addition, the General Partner will pay to the Investment Fund Manager an amount equal to 37.5% of the Wind-Up Administration Fee and 25% of the Performance Bonus paid to the General Partner by the Partnership, if any.

Portfolio Manager's Fee

The General Partner will pay to the Investment Fund Manager (from the General Partner's Fee) a fee equal to 1.0% of the first Gross Proceeds of $1,000,000 and a fee equal to 1.5% of the incremental Gross Proceeds over and above the first $1,000,000 of Gross Proceeds. All fees to the Portfolio Manager will be paid by the GP.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The Partnership has commitments and material contracts with the General Partner (Note 5).

The initial limited partner, who is the sole director of the General Partner, contributed $100 to the capital of the Partnership and received one unit in the Partnership (Note 8).

7. LIMITED PARTNERS' ENTITLEMENTS

The limited partners' entitlements with respect to the Net Asset Value and distribution of income are generally as follows:

a) Allocation of Net Profit or Loss

i) Performance Bonus

The General Partner will be entitled to a performance bonus (the "Performance Bonus"), as an allocation of income from the Partnership, equal to 20% of the product of: (a) the number of Units outstanding on the business day immediately prior to the last day of the Performance Bonus Term (the "Performance Bonus Date"), and (b) the amount by which the Net Asset Value per Unit on the Performance Bonus Date plus the aggregate value of all distributions on Units during the Performance Bonus Term exceeds $100. The General Partner has agreed to pay to the Portfolio Manager a bonus of 75% of that Performance Bonus.

ii) The Performance Bonus Term means the period commencing on the date of the final closing and ending on the earlier of: (a) the business day prior to the date on which the Partnership's assets are transferred to a mutual fund pursuant to a mutual fund rollover transaction; or (b) the business day immediately prior to the dissolution transaction.

7. LIMITED PARTNERS' ENTITLEMENTS (Cont'd)

iii) The income or loss of the Partnership shall be allocated as to 0.01% to the General Partner and as to 99.99% to the Limited Partners; and

ivi) The Limited Partner's share of the income and loss of the Partnership shall be allocated to Limited Partners based on their ownership of units.

The income and loss of the Partnership for tax purposes in respect of a fiscal period shall be allocated among the General Partner and the Limited Partners in the same manner as allocations of accounting income and loss with such adjustments the General Partner in its sole discretion deems necessary to effect an equitable distribution of all such amounts. The General Partner shall be entitled to make allocations of income or loss of the Partnership for tax purposes in respect of a fiscal period to any person who has been a Limited Partner at any time in such fiscal period.

b) Distributions

Distributions of income and/or capital will be made at the General Partner's discretion in the proportion that each Limited Partner's equity bears to the aggregate partners' equity

8. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

The Partnership is authorized to issue a maximum of 100,000 units. Each unit subjects the holder thereof to the same obligations and entitles such holder to the same rights as the holder of any other unit, including the right to one vote at all meetings of the limited partners and to equal participation in any distribution made by the Partnership. There are no restrictions as to the maximum number of units that a limited partner may hold in the Partnership, subject to limitations on the number of units that may be held by "financial institutions" and provisions of securities legislation and regulations relating to take-over bids.

The initial limited partner contributed $100 to the capital of the Partnership and was issued one unit in the Partnership.

9. Financial instruments and associated risks

The Partnership is not subject to significant price, interest, currency, credit, concentration or liquidity risk, as of August 29, 2017.

10. Increase in net assets attributable to holders of redeemable units per unit

The increase in net assets attributable to holders of redeemable units per unit from formation of the partnership, August 11, 2017, to August 29, 2017. is calculated as follows:

	August 29, 2017
Increase in net assets attributable to holders of redeemable units per unit	$ 100

Item 13: Date and Certificate

Dated: August 11, 2017

This Offering Memorandum does not contain a misrepresentation.

Pangaea Flow-Through Fund 2017 Limited Partnership
by its General Partner, Pangaea Flow-Through GP Inc.

per: _____
Linda Palin, Director

Pangaea-Asset Management Inc.

per: _____
Linda Palin, Managing Director